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## Near East/South Asia Report

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10 December 1984

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INDUSTRIALIZATION STRATEGY BASED ON ARAB COOPERATION

London AL-SHARQ AL-AWSAT in Arabic 8 Oct 84 p 4

[Article: "Secretary General of the Gulf Organization for Industrial Consultations to AL-SHARQ AL-AWSAT: "Practical Decisions Are Translating Industrial Development Strategy. Interest in Iron and Steel Industry in Council States"]

[Text] Dr 'Abdallah Hamud al-Mu'ajjal, the secretary general of the Gulf Organization for Industrial Consultations said in a conversation with AL-SHARQ AL-AWSAT that the development strategy symposium which took place in Bahrain in the period between 22-24 May 1984 had established the general frameworks for this strategy, which will be translated into a collection of practical guidelines and decisions. He confirmed that the main role for crystallizing the strategy and converting it into decisions belongs to the next Gulf summit and to the general secretariat of the Cooperation Council.

Dr al-Mu'ajjal added that 1984 was considered to be the year of iron and steel for the organization, pointing out that several studies have been brought out, including one on the crystallization of investment opportunities for the production of manganese and ferro-manganese. The Organization has also completed a comprehensive study on the iron and steel strategy in the Arab Gulf area, and he expressed the hope of coming out with several investment opportunities in this industry.

He explained that throughout 1984, the organization's efforts in the area of consulting have become more widespread than before in member states. The organization has started to put special efforts into searching out opportunities for investment in small size industries, pointing out that surveys to define investment opportunities for private sector investors are actually under way in member states. He explained that these surveys were initiated in the Sultanate of Oman.

Dr al-Mu'ajjal expected that the organization to continue with the iron and steel industry in 1985 and that a group of studies of primary value for some industries will be offered in this sector. He also anticipated that the organization's relationship with the Cooperation Council will increase in clarity and density.

He added that after having received the green light from its board, the Gulf Organization for Industrial Consultations will begin to link development establishments, industrial banks, universities and research institutes with the organization's data bank.

Regarding the main features of the 1985 plan, the secretary general explained that there is a committee at work now in the organization on planning the 1985 program, pointing out that this committee is looking in several directions: first, the studies produced by the organization, and the investment opportunities determined by the comprehensive studies issued by the organization; second, the recommendations of the 7 member states (the 6 Cooperation Council states in addition to Iraq); and finally, what is assigned to the organization by various organizations and establishments, especially the general secretariat for the Council states.

#### The Development Conference In Baghdad

In regard to the Development Conference, due to be held in Baghdad in October 1984, the secretary general of the Gulf Organization for Industrial Consultations first confirmed his organization's relationship with the Arab Organization for Development, pointing out that it is a unique relationship regulated by a signed protocol. He added that we always cooperate with them on the basis and from a point of departure that the Arab Gulf is part of the Arab nation and that the programs propounded in the Arab Gulf have to be offered within the framework of the Arab nation as a whole. He affirmed that dealings between the Gulf organization and the Arab organization proceed from within this point of departure.

He said that the organization will strive for the success of this conference, seeking to enrich the atmosphere of its debates. The Gulf Organization for Industrial Consultations has received a collection of documents, part of which were prepared with the participation of the organization itself, in addition to some studies connected with this conference.

Regarding the questions on the agenda of the Baghdad Conference for Industrial Development, Dr al-Mu'ajjal explained that the conference will consider several questions, the most important being the group of joint projects which the Arab Organization for Industrial Development put forward on the Arab world level. The second is the establishment of an Arab industrial information network. The Gulf Organization will participate at the highest level--the secretary general, his assistant and some experts.

He explained that the Organization is currently studying joint projects and will express its opinion in meetings of the committees of experts in an attempt to coordinate those programs proposed by the Organization in the Gulf with the programs of the Arab organization. As for the question of establishing an Arab industrial information network, the organization will offer the aid of its experts from the organization's data bank to help in the required conceptualization, and in the practical participation with the group of experts which will be working to implement this Arab project.

## Arab Industrial Cooperation

Regarding the prospects of achieving Arab industrial cooperation through the total proposed contributions, and the seriousness of this orientation, he affirmed that a serious orientation in this area exists. As an indication of this he maintains that the Arab development operation had imposed itself, citing the Arab cooperation framework as the one required for undertaking the industrial development operation. He said that it is not possible to continue pushing industrial development without expanding the frameworks, adding that there are projects which impose themselves on the Arab world level and which cannot be undertaken on the level of only one country.

He further affirmed that Arab cooperation imposes itself now as an economic necessity, explaining that it has become clear from the debate taking place in various arenas that many of those projects adopted by the Arab states or by several Arab countries could have a much higher return if their scope were to be expanded.

As confirmation of the seriousness of this orientation, the secretary general says, "The Arab Organization for Industrial Development is now putting forward, in a business-like manner, a number of clear projects with defined features." He indicated that the manifestations of this seriousness of purpose appear in many areas, an example of which, without being exhaustive, is perhaps the Arab Businessmen and Investors Conference which gave birth to a number of projects.

The Arab Businessmen and Investors Conference will hold its third meeting in Kuwait. It had held its first session in 1981 in al-Ta'if, and the second in Morocco. He affirmed that the period of Arab cooperation is imposing itself in all arenas.

### A Unified Industrial Law

Dr al-Mu'ajjal also spoke of the extent which ongoing studies to prepare a draft unified model regulatory law for industrial regulation in Cooperation Council states have reached, and explained that this question is still under consideration. The organization has contacted various sources worldwide as well as those organizations concerned with industrial legislation in Japan, South Korea, Ireland, the European Common Market, Egypt and Tunis. He added that the organization is now proposing a complete concept and expressed the hope that the preliminary study for this project will come out in the last quarter of 1984.

Dr al-Mu'ajjal affirmed that the organization is mindful that this should be a practical project capable of implementation, and that it be accompanied by all the required explanations of the laws and regulations.

The secretary general of the Gulf Organization for Industrial Consultations reaffirmed that the future is guaranteed for the Gulf Common Market, asserting that interests did not clash or conflict in the manner prevalent for example in the European Common Market. He added that it is now possible in the Arab Gulf Organization to begin building development programs and projects on the basis of linking interests with what unites this market.

GULF DEVELOPMENT PLAN REVIEWED

London AL-SHARQ AL-AWSAT in Arabic 13 Oct 84 p 4

[Article: "AL-SHARQ AL-AWSAT Special Report On Gulf Development Plan. Joint Projects in Production Sphere To Be Accorded Priority. Pledge To Support Industry and Insure Availability of Balanced Competition"]

[Text] It has been established that the agenda for the Fifth Gulf Summit, to be held in November 1984 in Kuwait, will include a discussion of a special report on industrial development strategy in the states of the Cooperation Council of Arab states in the Gulf, which affirms the importance of pursuing sequential, gradual measures, and of according primacy to joint Gulf projects in the production sphere.

AL-SHARQ AL-AWSAT has obtained a copy of the report which specified the main starting points for industrial development strategy in Council states within the framework of the following basic principles:

First, available capabilities and current-stage financial circumstances in the Gulf states necessitate the completion of accreditation of sequential and gradual measures in the industrial development strategy, together with the concentration on an unspecified number of selected industrial branches.

Second, the Industrial Development Plan must emerge from the industrial reality and strive to sustain the efforts of on-going industrial development and aid in overcoming the problems facing industry in the Gulf.

Third, it would not be possible to speak of industrial development in the Gulf states without undertaking to support industry and to provide favorable conditions for balanced competition, especially as most industrial and developing states support their industry.

Fourth, industrial strategy on the Gulf level must primarily strive to strengthen correlation and integration elements on production lines amongst area states, in addition to increasing the levels of exchange amongst actually operating manufacturing industry branches so that they do not resort to importing their primary and intermediary resources and exporting their products to foreign markets.

Fifth, placing on the Council states' level those industrial programs in want of implementation in order to conform to the relative characteristics of each country, taking into consideration the population equilibrium and human and material production factors.

Sixth, coordination measures must rise above social or strategic considerations and those of the comparative disparity in development levels. This includes the geographical distribution to be agreed upon for decisions on implanting various production units.

Seventh, it is necessary to accord urgent priority to setting up joint projects in production and various service areas on the Gulf level, in accordance with the relative endowments available to it as one area in relation to the world, and the endowments available to each of its parts in relation to each other.

Eighth, Council countries should benefit from what was actually implemented, before and after the Council came into being, in the industrial cooperation and coordination area through existing companies, bodies, committees and organizations. This includes specifying the working relationships between the Council and the existing bodies and organizations, in addition to specifying the implementation channels and measures ensuing from these relationships.

The report concludes its delineation of the main starting points for industrial development strategy by affirming that the success of the Gulf area in achieving industrial cooperation requires the convergence and unity of the industrial policies prevailing in those countries.

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CSO: 4404/46

## INVESTMENT COMPANY AIMS AT ARAB EXPORTS

London AL-SHARQ AL-AWSAT in Arabic 17 Oct 84 p 4

[Article: "The Arab Company for Investment Decides To Promote Exports from Arab World"]

[Text] The Arab Company for Investment is getting ready to enter a new financial field, that of promoting exports from the Arab world. The company's managing board met at the beginning of this week in Riyadh and approved the principle and the implementation plan as part of the company's activities, aiming at financing and developing external trade in the Arab world and promoting its competitive capability in world markets.

It is well known that in the Arab homeland there is no banking establishment active in this field, like the American Export-Import Bank or the French COFACE Group for example. A responsible company source has explained to AL-SHARQ AL-AWSAT that up to now, the company has 3 orders from Saudi Arabia and Kuwait to finance crude and refined oil export operations to Turkey. There are also contacts with a Brazilian bank seeking to promote its import activities from the Arab homeland to Brazil.

Company activities in this field will be distinct from those of similar establishments in the west. They operate within a supporting framework provided by their countries, whereas the company will operate on a strictly commercial basis. That is why it will finance transactions within the boundaries of 18 months, with the possibility of going up to 24 or 36 months. For the most part however, western establishments finance industrial exports and for periods that are counted in years. Arab countries possess export capabilities in several areas, which may be enumerated as follows:

Crude and refined oil from Saudi Arabia and Kuwait, which can also export metal pipes, in addition to phosphates from both Morocco and Jordan, cotton from Sudan, aluminum from Bahrain and cement from most of the Gulf states. Company activities in this direction will also promote exports from the Gulf states to the industrialized world, especially in regard to petrochemicals and refined oil products.

The company's new course will contribute to the realization and promotion of its special aim, the development of Arab financial markets. In 1983, the

company had established for itself an external banking unit in Bahrain to contribute to this aim. The company has also been active in the area of shares with a floating interest rate, becoming thereby the second financial body after the Arab Banking Corporation, and helping to create a secondary market that contributed to the circulation of those shares, which buyers had formerly stored in their safes for lack of a market for them.

Company statistics explain the extent of progress achieved in this area. While the volume of activities for 1983 was \$121 million, it amounted to \$74 million in the first quarter of 1984, rising to \$191 million in the second quarter. It then jumped to \$200 million for July and August 1984.

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## GULF NATURAL GAS NETWORK PROPOSED

London AL-SHARQ AL-AWSAT in Arabic 17 Oct 84 p 4

[Article: "Cooperation Council Oil Ministers Consider Setting Up First Natural Gas Network Between Gulf States"]

[Text] A study for building the first natural gas network between the countries of the Cooperation Council of Arab States in the Gulf is currently in its final stages. Final conclusions will shortly be placed before the ministers for oil and industry in the Council states for debate and submission to the Gulf Summit.

The latest developments, which have led to a fall in oil production in area states, have also resulted in falling production rates for associated gas extracted together with oil. This is happening at a time when activities linking many Gulf enterprises to gas, projecting it as an energy source to power electricity and water stations as well as a large number of factories in the area, are on the increase. But in contrast to the fall in oil and associated gas production, there is an increase in the volume of discoveries of natural gas fields in the area and in the prospects for exploiting gas as a source of income equal to or exceeding oil income in a number of area states.

### Exploitation of Qatar Gas

The latest study on natural gas in the Arab countries put out by OAPEC affirms that Qatar has decided to develop the North Gas Field, which holds reserves estimated at approximately 300 billion cubic meters.

### Projects In the Emirates

The study also mentions that the UAE has decided to develop "al-Saji'ah" Gas Field. This involves the construction of a 200 km pipeline to transport nearly 9 million cubic meters of wet gas to dry land daily, and to separate it from 25,000 barrels of petroleum condensates and 7 million cubic meters of dry gas daily. Also contracted was al-Tammamah Project for Natural Gas with an approximate yearly capacity of 4.6 billion cubic meters of wet gas, yielding 45,000 tons of natural gasoline, 960,000 tons of petroleum condensates, and 4 billion cubic meters of dry gas, in addition to 292,000 tons of sulphur minerals per year.

## Collection of Associated Gas

The study also states that Kuwait has contracted with a group of international companies for the construction of a maritime platform and a compressor station to gather the associated gases produced by al-Khafaji maritime fields and to pipe the compressed gases to dry land. This is in addition to constructing a unit to treat approximately 3 million cubic meters of gas daily. The treatment of separated liquid gases will take place in al-Ahmadi port where liquid gases are gathered. The dry gas which is produced from separating operations is used to fuel electrical power generating and desalination operations.

## Development of Free Gas Sources in Saudi Arabia

The first stage of the principal gas project in the Kingdom of Saudi Arabia, which was begun in 1975, has actually been completed. Its maximum capacity is 96.3 billion cubic meters daily, rising to approximately 141.6 billion cubic meters of wet gas daily after completion of the second stage in 1986. At the same time, the Kingdom of Saudi Arabia has decided to begin developing a source of free gas in its territories.

Being conducted by the countries of the Cooperation Council for the construction of an inter-linking natural gas network, the study aims at making the gas which countries like Qatar or the UAE produce in large quantities available to those countries which lack the gas they require for fuel or as a feeder for the petrochemical industries. This network will give some Gulf states the required freedom to set their oil production levels independently of their local natural gas needs.

## Production Begins in the Gulf of Suez

The study also mentions that in the area of gas production in the Arab world, the Egyptian Gulf of Suez Gases Project has begun operations. The project ensures the exploitation of the associated gas extracted from the maritime fields in the Gulf of Suez as an energy source, rather than having it uselessly burned. The Egyptian project incorporates 3 stations for gathering and compressing gas and a central treatment station. Daily capacity for the project will reach 3.4 million cubic meters, with daily production of 360 tons of liquified petroleum gas and 290 tons of naphtha. A pipeline supplying dry gas to the Cairo home consumer network will also be built.

In Iraq construction of the liquified petroleum complex in al-Zubayr area near al-Basrah has been completed, but has not entered into the production stage because of its location in the military operations zone. Begun in 1980, this project treats approximately 6 billion cubic feet of associated natural gas produced in al-Rummaylah fields and yields 4 million tons of propane and butane and 1.5 million tons of natural gasoline.

## Gas Exploitation in the Arab Maghreb

The Tunisian National Oil Company is planning to build a treatment unit for the associated gases produced by al-Barmah field, aiming at a yearly

production of 120,000 tons of liquified petroleum gas. The project will be built in al-Hawariyah on the Tunisian coast. A 30 km pipeline is also scheduled to be built, linking the field to the Gabes area and delivering the condensates to a treatment unit that is being built to produce 70,000 tons of propane, 34,000 tons of butane and 16,000 tons of natural gasoline per year.

The study also points out that Algeria is currently working to develop its production of helium gas, which forms a high proportion of Algerian natural gas, and which has catapulted Algeria to third place after the United States and the Soviet Union in helium reserves.

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UNICEF REPRESENTATIVE DISCUSSES LOCAL SITUATION

London AL-SHARQ AL-AWSAT in Arabic 15 Oct 84 p 15

[Text] Mr Sabah 'Allawi, the Gulf representative for the United Nations Organization for Children (UNICEF), has warned that Arab children are not far from the tragic situation of children in the Third World.

In a meeting with journalists, he said: "In the Arab World we are losing 1.2 million children per year, at an average of 2300 per day or 138 per hour. We have estimates that put the average child mortality rate in the Arab world at more than 100 per 1000, approximately 10 times in excess of what is taking place in the developed world. And for every child that dies, another correspondingly becomes disabled or retarded."

He added that what compounds the size of this tragedy is that a real opportunity to change this bitter situation exists, pointing out that en masse, the Arab States possess capabilities in excess of what is available to others, especially as many of them channel an important proportion of their incomes into health and social services.

He also pointed to the existence of successful experiments by countries from both east and west, from South Korea to Cuba, proving the possibility of change in the situation of the Arab child, (if we are determined to do that). Mr 'Allawi then enumerated a number of steps that UNICEF is concentrating on, which can basically change or even revolutionize the situation of Arab children. First, through the use of growth tables to keep track of children's weight, which would point to any danger or trouble signs in this area.

Second, by the dissemination of dehydration salts to treat diarrhea, which is responsible for 50 percent of child mortality cases.

Third, by encouraging breast feeding instead of switching over to artificial milk, the first being more beneficial and healthier for mother and child.

Fourth, by calling for timely immunization against the six main diseases, in addition to some supplementary measures like raising awareness on child feeding, educating mothers and extending the intervals between giving birth and the next pregnancy. This is in addition to matters related to development

programs like a clean water supply, attending to primary health centers and concentrating on raising consciousness in health and social matters.

The Gulf United Nations Organization representative for children described the situation of the Gulf child as a "national security concern," explaining that the human element manifests its extreme importance in this area of the world as it is related to the identity question and national character, as well as to the confused political situation in the vicinity.

He also characterized every lost child in the Gulf as a great loss (amounting to many many times the price of a fighter aircraft, and every retarded child represents a much bigger blow than one directed at a giant tanker in the Gulf).

He also said that the subtraction of any one child from the inhabitants of this area represents no less than the addition of a new question mark about the future.

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REGIONAL AFFAIRS

BRIEFS

EGYPTIAN-JORDANIAN MILITARY PACT--On the eve of President Husni Mubarak's arrival in Amman last Tuesday, a prominent Arab source told AL-TADAMUN: "I don't think that President Mubarak's visit will take place within the framework of protocol and in response to King Husayn's invitation and returning the Jordanian greeting by restoring better relations with Egypt. Rather, the visit will rise to a higher level than that of protocol considerations and you may expect important results from it, the least of which is the revival of the joint Egyptian-Jordanian military treaty which was concluded a few days before the June 1967 war." If the Arab source's expectations come true, then this will mean a further reshuffling of the cards in the area and will open the area's doors to numerous possibilities. [Text] [London AL-TADAMUN in Arabic No 79, 13 Oct 84 p 5] 8494

CSO: 4404/49

## MUBARAK DISCUSSES ADMINISTRATION'S ACCOMPLISHMENTS, POLICIES

Cairo MAYU in Arabic 15 Oct 84 pp 3-4

[Interview with President Husni Mubarak by Sabri Abu al-Majd: "Government Cannot Do Everything Alone and People Must Take Initiative; Our Press Confines Itself to Repeated Issues to Which Masses Have Become Immune; Opposition Is Needed, Not As Facade But As Path to Free Choice for Every Citizen"; on the third anniversary of his election, place not specified]

[Text] President Husni Mubarak gave MAYU this exclusive comprehensive interview in which he discusses with his customary frankness all that concerns the Egyptian citizen at home and abroad. He answered the questions that have occurred in the citizens' minds regarding our democracy in the 3 years since his assumption of the responsibilities, regarding the opposition and its responsibility in safeguarding democracy, regarding the fears of the Egyptian businessmen and the private sector, regarding the open-door policy and popular participation and regarding the National Democratic Party and the selection of the Political Bureau members.

Following is the text of the interview the president gave Sabri Abu-al-Majd, the chief editor of MAYU:

[Question] On the 14th of this month, October, 3 full years will have passed since the people elected you leader and commander. To start, I would like to ask you about the problem that has preoccupied you more than all the others.

[Answer] If I may note one problem amidst this vast wave of problems and challenges which I and the people have confronted every moment, I would dwell on the economic problem, both because of its significance, danger and major impact on all aspects of life and its connection with the hardships of the majority of Egypt's citizens and because the future of the homeland depends largely on our ability to tackle and overcome this problem.

I view the economic problem in a complete and comprehensive manner that does not stop at the particulars. Even if we confine our talk to the individual level, the economic problem exceeds in the individual's thinking the limit of just increasing his income to reach the point of establishing

a reasonable balance between prices and incomes, insuring that any increase in income is not turned into inflation, of developing the habit of saving, of controlling consumption and contributing to the improvement of the balance of payments and of increasing exports and curtailing imports. This requires encouraging national industry and creating the right climate for investment and the absorption of modern technology.

The economic problem also touches on the sphere of services, particularly the housing, educational, health and social services.

### Housing Is My Major Concern

The housing problem has continued to draw a major part of my attention because I see hundreds of thousands of families living under conditions which we do not accept for our citizens and I see hundreds of thousands of youth unable to find for themselves a simple residence that enables them to make their way in life and to rely on themselves. This is a vital issue, especially since we are building the new society and seeking to entrench the feeling that as affiliation and loyalty belong to the big family and homeland, they also belong to the small home which represents the basic unit of the social structure.

### Why Have You Chosen Democracy?

[Question] Democracy is one of the results of the October war and of liberating the land. Choosing the path of democracy is a difficult option. What I want to ask concerning this point of democracy is: why did you choose the path of democracy from the outset despite your definite awareness of the difficulty of this path and of its abundant problems?

[Answer] I believe in the social and political content of democracy. Democracy is the fence that protects society's movement in time of war and of peace because a strong society capable of waging battles and confronting challenges is a society comprised of individuals who feel that they are truly free and that they are the ones who have the weight and who make the decisions in all that pertain to their future.

If we backtrack with our memory, we would find that the late President Muhammad Anwar al-Sadat introduced many reforms during the period of preparation for the war for the purpose of bolstering the domestic front and enhancing social solidarity so that the Egyptian people would be able to proceed to the phase of confronting the challenge and of standing fast in the face of an awesome option for the individual and for society as a whole.

### Path Is Now Open

After the glorious October victory, the path became open for greater democracy. It was evident that this was the free choice of the Egyptian people with all their social and political groups and factions because we



developed a stronger belief that democracy is the definite guarantee for the success of the national action, in addition to being a guarantee given to the individual in his daily life.

Some people like at times to compare man's right to acquire his essential needs with his freedom to choose and participate. I find that this comparison has no place in our society.

#### Freedom of Opinion and Belief

It is the duty of all of us to act together to insure that both elements are available to man simultaneously, with man being thus assured of his livelihood, free to his opinions and beliefs and capable of performing his role in developing society and making the future. The path to democracy may seem rugged and difficult, considering that it is easier to take the other path where a choice is nonexistent, where the roles are defined according to the view of the ruling group, be it a class, a party or a certain political bloc, and where the multiplicity of opinions disappears. But in my evaluation, this view is completely wrong because democracy is the effective guarantee for the success of the national action process. This is in addition to democracy's respect for the individual's identity and his humanity. There is no doubt that the diversity of opinions and the variety of interpretations are considered an enormous benefit and a safety valve for society, provided that they do not result in presenting a shaky picture to the people, in wiping out clarity of vision and in disabling the individuals from recognizing their path, thus becoming a prey for anxiety, fear and uncertainty.

The effective means to prevent all this is to establish adequate controls to protect democracy and to prevent it from turning into anarchy.

#### Experience of 3 Years of Democracy

[Question] Now that 3 years have passed since the start of a new phase of democracy, I wonder: are you pleased with the democratic action in Egypt? And what do you fault this action for, if you fault it for anything?

[Answer] Generally, I say that the democratic action witnessed by the country in the past 3 years has not shaken my faith in democracy as a philosophy and as a course and a path because the belief in democracy is a question of principle and is not subject to a tug-of-war. As for my evaluation of this action in the past 3 years, it covers some positive and some negative aspects. If we want to talk of the negative aspects and of the faults, then I can sum them up in the following:

#### Failure To Adhere to Objectivity

First, the failure to adhere to objectivity and the tendency of some to allow personal whims and interests to prevail, even when the matter concerns higher national interests.

## Indisputable Issues

Second, the inability to make a distinction between the country's strategic objectives. It is not right to make these objectives a subject of political maneuvering, tricks and oneupmanship and to include them with the issues subject to disagreement and to the multiplicity of opinions.

## Method of Provocation and Exaggeration

Third, the resorting of some people to the method of provocation and exaggeration and to the falsification of conditions and the truth. It hurts one to see this group of our citizens, who are most often aware of the truth and choose falsehood and provocation in search of political gains even though history teaches us very clearly that only what is right will ultimately hold up.

## Where Is Democracy in Parties?

Fourth, some political groupings are not eager to create the democratic climate and to adhere to the democratic system internally at a time when they never stop raising the slogan and singing the praises of democracy.

## I Believe in Youth Most Strongly

Fifth, others resort to shaking the confidence of youth in their country and plant despair in their hearts by slandering every act and every step made. This does not mean that one is annoyed with criticism or that he refuses to hold a dialogue, in which the youth participate, on Egypt's future. I believe most strongly in youth's role and in the need to boost and entrench this role in the social reality. But there is a difference between presenting the problems to youth and drawing their attention to these problems and convincing the youth that all the conditions are constantly deteriorating and that corruption is striking deeper roots and spreading its dark shadows over all aspects of life.

## Grave Consequences of These Attempts

What is surprising is that most of those who get involved in such acts are well aware of the grave consequences to which these acts may lead, especially in terms of setting back the democratic process and throwing the country into a destructive tempest from which nobody will benefit and which will be catastrophic to all, regardless of their affiliations.

I often find myself thinking deeply of this issue and of the complications which can be created by weakening the trust in the existing institutions and in the adopted system and by casting doubt on everything.

I Pledged To God Not To Let a Backslide on Democracy Occur Under My Administration

I need not tell you what one feels when he views this dark film of expected events. All I can say is:

I have pledged to God not to let a backslide on democracy occur on my hands or while I am shouldering the responsibility.

Opening Door of Hope to Youth

I again say that it is necessary and required to urge youth to develop an interest in public issues and to take part in confronting them. But the other side of the coin is opening the door of hope to youth so that they may not feel that they are hitting their heads against the rocks, that they are ploughing the sea or that they are wasting their lives.

Democracy Is Not Experiment

[Question] I ask his Excellency President Husni Mubarak about what he hopes for in the issue of democracy so that it may produce more fruit in a shorter time.

[Answer] What I hope for is what every Egyptian loyal to his country hopes for, namely the stabilization and entrenchment of democratic activity. In my speeches and public talks, I have been careful to say that I do not consider democracy an experiment because describing it as an experiment may expose it to tremors and setbacks. To achieve stability in democratic activity, we must achieve the broadest participation in political life because popular participation is the certain guarantee to prevent the misuse of democracy by a small minority with a special interest.

Democracy must also be surrounded by guarantees and controls so that it may not turn into anarchy. This requires that our definition of democracy be uniform or at least closely similar because if each of us has a different concept of democracy, then this means that we will move along different paths, that we will not converge and meet and that democracy will become a slogan raised by each according to his whims and interests.

After we agree on two limits of the concept of democracy, our will must agree on the limits of democracy, the most important being the limits of resorting to the constitution and the law, of not imposing our opinion and of respecting the majority's opinion while preserving the minority's right to express its opinions and demands.

## Chance Is Still Available

(President Husni Mubarak goes on to stress:)

I believe that the chance is still available to entrench the democratic action and to transform it into a practical method and into a system of life followed by each of us today and tomorrow, applying this system to the others as he applies it to himself.

## Opposition Needed, Not As Facade But As Content and Path

[Question] In my conversation with President Husni Mubarak, I had to touch on the issue of the opposition and I said to his excellency:

The Egyptian opposition is enjoying what it has never enjoyed before. Rather, it is enjoying what the opposition in many of the deep-rooted democratic countries does not enjoy. What is His Excellency the President's evaluation of the opposition in the past 3 years and what do you hope from it so that the democratic action may succeed and so that the opposition may truly become the second lung of the democratic movement in Egypt, especially since the opposition is unanimous in acknowledging your role in entrenching and protecting democracy?

[Answer] There is no doubt that the opposition is needed, not as a facade, as some like to say, but as a content and a path to provide the freedom of choice to every citizen and to draw the government's attention to the various alternatives and to the gaps in its performance.

All this is needed to maintain the political balance and social stability and to insure the good progress of work in government institutions.

## Positive Role by Opposition Could Have Been Bigger

It is also indubitable that the Egyptian opposition has performed a positive role in the past years. But it is certain that this role could have been bigger and of more far-reaching dimensions in our political life if the opposition parties had devoted greater attention to the rule of objectivity and if they had not succumbed to the pressures of oneupmanship and exaggeration.

There have been numerous occasions when I had wished that the opposition would take the initiative and raise certain issues concerning the masses from a starting point different from that which has been followed. However, I soon found that this does not happen in most cases, that the priorities on whose basis the opposition moves are completely different from the masses' priorities and that the issues raised by the opposition have nothing to do with what preoccupies people's minds.

This means that the opposition expresses a private opinion and not a certain sector of public opinion. This undoubtedly denies the opposition a large degree of its effectiveness and denies the country the benefit of the opposition's role.

## My Opinion of National and Partisan Press

[Question] The Egyptian national and partisan press also enjoys unprecedented freedom. I say this as a journalist who worked in the press before the inception of the revolution and who is still working in it after the revolution. We are interested as journalists, and so are the masses of Egyptian and Arab readers, in knowing President Husni Mubarak's opinion of these papers and his opinion of what is desired of them and for them in this phase?

[Answer] The Egyptian papers, be they national or partisan papers, are a mirror of Egypt's political and social reality. In this sense, they express the people's masses. It is my assessment that the Egyptian press has achieved in recent years a leap up to its standard, whether in terms of content or of production. But we must stress, in order that the picture may be complete, that our press has not achieved a lot of what it should have achieved. As I have said in my answer to the previous question, we and the people had expected the priorities guiding the opposition papers to be the same priorities as those of the Egyptian man-in-the-street. But this is not the case. We had hoped that these papers would present the national issues from a national angle rising above partisanship and in an objective method that is beneficial to society in its entirety and that contributes to the development efforts.

## Seasonal Topics in Our Press

One of the things for which we can fault our press is that it does not expand the sphere of its interest, that it confines itself to a narrow scope and that it focuses excessively on repeated issues to which the masses have become immune because these issues have turned into slogans.

Another observation that I can also make is that the press does not exert adequate efforts to follow up the issues it raises at a certain phase. Rather, the press drops such issues even though the social phenomenon causing such issues to be raised is still present. An example of this are the problems of youth and the radical tendencies in Egyptian society. It has been noticed that the presentation of these issues in our press has been generally characterized as being seasonal and disjointed. There is no doubt that this diminishes the role which our press can perform in serving the national issues.

## Popular Control Is Required Because Government Cannot Do Everything by Itself

[Question] You have often called for popular participation on the grounds that the government cannot do everything by itself. In the wake of these calls, seminars and lectures have been conducted and studies pertaining to popular participation have been prepared. What I would like to know from Your Excellency is: do you mean by popular participation that the people exert organized efforts to take part in supervising schools or hospitals, or do you mean by participation that the people perform their

role in controlling prices, for example? Or do you mean all these things? The people would like to know your opinion of this new experiment which, if adopted, can eliminate many of our problems or at least reduce their danger.

[Answer] I mean popular participation in everything and in all phases because I believe that government, regardless of how competent, cannot do everything by itself. Therefore, it is necessary that the people take the initiative, whether in raising certain issues and presenting certain proposals, in implementing some projects or in exercising control over the performance of government agencies.

#### Issue of Prices

If we cite the issue of prices as an example, we find that some merchants are not concerned with establishing a balance between their desire to make the maximum profit and society's interest in controlling the rise in prices. As a result, they charge excessive prices for their goods. At times, they sell set-price and subsidized goods in a manner that doubles the price the consumer has to pay to get these goods. There is no doubt that the government shoulders a major duty in controlling prices. But the ordinary citizen also shoulders in his turn part of the responsibility. He is capable of reporting any violations and refraining from the purchase of goods at prices higher than the set prices and he can reduce his consumption of unpriced goods until the merchants lower the prices of the goods they offer and so forth.

#### Why Don't Merchants Move?

As for participation in implementing projects, I have in my mind numerous small projects that cannot wait for the government agencies to implement them. The yield of these projects to society will be big. I see no reason to prevent companies and businesses from repairing the sidewalks adjacent to their shops at their own expense and on their own initiative. This effort does not cost a lot. All it needs is that people get accustomed to collective action that is free of individualism.

#### Government Alone Cannot

I see nothing to prevent the companies from building housing projects for their workers next to the work sites instead of throwing the entire burden on the shoulders of the government which has to spread its efforts over all parts of the country and which is shackled by the budget figures, by the available allocations and by the lengthy red tape.

#### Planting Street Trees

There are numerous spheres in which youth in particular can participate in solving problems and implementing restoration projects, such as planting street trees, enhancing the aesthetic aspect of the streets and preserving the safety of the environment, especially in the old popular quarters. The value of this effort is not confined to bringing about material restoration

but extends deeper to strengthen the feeling of youth's belonging to their homeland. This is a fundamental issue.

#### Eliminating Bureaucracy and Red Tape

This is perhaps the right place to speak of my eagerness to eliminate bureaucracy and red tape in Egypt. This cannot be achieved without effective popular participation in the implementation and control phases. A complete conception has been formulated on how to achieve this end. I do not want to anticipate the events and speak of the importance of the success of this experiment. The touchstone is ultimately the ability to bring about an actual change that guarantees that the ordinary citizen get his due without hardship or humiliation and without connections and middlemen. This new organization will be tried on a limited scale in the government agencies next year so that we may move forward with the system according to the success or failure achieved on a limited scale.

My hope is that the ordinary citizen who does not rely on financial strength, on social position or on relationships with influential people will be able to enter any government office or any public or private company and get his rights without anybody scowling at him, without his being compelled to frequent such offices for long days and weeks and without his latching onto an official who feels pity for him and who embraces his demands.

#### Provocation and Confusion Abroad

[Question] I keep up with all that is written in Egypt and abroad on the important issues which some people use as material for provocation and for spreading confusion. To overcome the state of confusion created by some and to eliminate the instruments of provocation to which others resort, we would like to know Your Excellency's opinion on these issues in order that we may silence the provocative tongues and eliminate the sources of provocation.

[Answer] One cannot aspire for an ideal situation where provocation and confusion are totally eliminated and where all adhere to objectivity and reason. But a degree of this idealism is required, necessary and within our capability and it is our duty to provide it to our country.

Some may resort to sensationalism at times to sell their papers or to achieve what they imagine to be a "scoop," whereas others may resort to creating problems in the face of the government and to escalating social tension with the aim of developing the situation that serves their private interests as they imagine these interests.

#### Disinterest in Provocative Press

These practices cannot be stopped with the stroke of a pen, unless there is a complete transformation in the existing political climate. However, there are some controls that should contribute to curtailing the negative effects of provocation and confusion. The most important of these controls is

adherence to the application of the law, every citizen's exercise of his right to protect his reputation and eagerness on the part of the government agencies and public institutions to respond to the accusations and criticisms directed at them.

The people can also contribute to this by not buying the provocative and doubt-casting press. I believe that there is tangible evidence of the people moving in this direction.

#### Public Sector and Private Sector

[Question] Where is the place of the public sector and of the private sector in the Egyptian system?

[Answer] It is surprising that this issue continues to be raised urgently in the minds of some despite the clarifications and assurances we have offered.

I believe that the point from which we must proceed in dealing with this issue is to acknowledge that each of the two sectors have its legitimate and needed role in serving society in all the phases of growth and development. In the wake of the experiences we have encountered and gone through in the past half-century, it is no longer acceptable that this comparison between the public and private sectors continues to be projected, as if each sector is an enemy and a foe of the other. The fact is that they are twins indispensable to each other. The relationship between the two sectors must be a relationship of cooperation founded on the common interest and not on hostility and on lurking to pounce on each other.

Let us speak more frankly and say that this doubt and this suspicion do not exist insofar as the public sector is concerned because all acknowledge that it is necessary and that it must be strengthened and its capability enhanced by virtue of its being the mainstay of development.

#### I Am Aware of What Goes on in Minds of Some Egyptian Businessmen

The issue is raised fundamentally when the matter concerns the private sector. I am well aware of the reasons that cause some to doubt or to cast doubts on the government's tendency insofar as the private sector is concerned. There is perhaps a basis for the rise of these question marks in the minds. We perhaps need more time and practice before these concepts take root among all of us. However, there is a lot of exaggeration in this regard. If some people resort to this approach to pressure the government and force it to allow a certain course in dealing with the private sector, regardless of the public interest, then I believe that it has been proven to all that this approach is futile.

I am aware of what is going on in the minds of some Egyptian businessmen and of the opinions they express and observations and reservations they reiterate. They complain of the instability of government regulations and of the



multiplicity of judiciary authorities to which they are accountable. They fear the socialist prosecutor and the Values Court in particular. They also complain of the restrictions imposed by the Central Bank on the banking establishments and on the advancement of loans and credit facilities.

#### State Committed to Tending Private Sector

All this is well known and it is perhaps raised with good will by some of our businessmen. However, I say that the state is committed not only to giving the private sector the opportunity but also to tending and encouraging this sector. The private sector is not an illegitimate son of Egypt, as some say. Rather, it is the partner and companion of the public sector. The objective is to strengthen the Egyptian economy, to protect the nation's products and to encourage the industrial sector because many businessmen prefer commerce which does not require the perseverance and the risk involved in industry. Moreover, commerce's yield is rapid and guaranteed and commerce does not create labor problems and the problems of dealing with government agencies.

The difficulty here lies in how to establish a balance between the individual's interest and society's interest and in how to encourage the citizen to get involved in all aspects of economic activity and to protect society from exploitation.

#### Steering Clear of Exploitation

All of us, including the private sector businessmen, must remember that steering clear of exploitative practices is as much in the interest of the businessmen as it is in the interest of society's other groups. It is the certain guarantee for continuing the private sector's role and for providing the opportunity for the growth and expansion of this sector's activity.

The persistent question continues to be: how do we prevent exploitation?

And what is the point at which the state moves by virtue of its responsibility to preserve the balance between the various interests and to insure social justice? There is no doubt that the answer to this question is subject to various interpretations and diverse opinions.

What is important is that we truly believe in the role which the constitution guarantees the private sector, in addition to our belief in its role in achieving the public interest by providing work opportunities to our citizens, by absorbing sophisticated modern technology and by encouraging investment to counter the tide of consumption we are still witnessing.

Let me state frankly that if we wanted the private sector to shrink and its role to diminish, I would not hesitate to announce this clearly and without beating around the bush. But what is required is that the private sector put the emphasis on industrial and agricultural production and act responsibly so that profit may not be its sole objective and so that special attention may be devoted to developing society and enhancing the Egyptian economy.

### Banks Required To Offer Facilities

The door is open for the private sector businessmen to participate with the state in reaching the situation in which the desired balance is achieved. The ministers concerned will hold periodic meetings with the Egyptian industrialists to discuss their issues, problems and demands. Moreover, the banks are required to offer the Egyptian businessmen facilities and not to make things difficult for them as long as these facilities are given within their sound framework and in freedom from the points of corruption.

### Businessmen Are Entitled to Stable Tax Legislation

Egyptian businessmen are entitled to have us provide them with stable legislation, especially in the sphere of taxes. The shackles imposed on engaging in economic activity make this stability impossible. They also make it impossible for the businessmen to predict future possibilities. Such a prediction is a fundamental element in the individual's planning of his activity, especially in the industrial sector.

### No Thought Can Be Given to Abolishing Open-door Policy

[Question] Should we terminate the open-door policy or should we gradually establish for it controls that enable it to finance the major production projects?

[Answer] Nobody can think of terminating the open-door policy, except for the extremely radical who want society to be in a state of constant revolution and who seek to abolish the private sector's role totally on the grounds that it is exploitative by nature. It is absolutely definite that this opinion is confined to a small minority who do not represent the Egyptian people who can see clearly that openness is the characteristic of the age everywhere and that all countries, regardless of their economic and social systems, follow the open-door policy to increase their production, enhance their productivity, improve the quality of their products, provide new work opportunities and attract capital and modern technology. Egypt cannot disregard the tempo of the age and confine itself in a shell just because hollow slogans are raised.

As for the controls established for the open-door policy, I am not in favor of establishing such controls every now and then because this goes against the stability we are seeking and which we are eager to achieve. It is better for the picture to be presented to the people at once so that everybody may know where he stands and may choose his path.

### Issue of Subsidy and of Wheat Consumption

[Question] I know that the subsidy issue is one of the issues that concern you strongly and to which you devote full attention. You have asked the opposition parties to study this issue. You have also asked specialized professors to study it. What will happen after they submit their studies?

Will you call for a national conference, such as the economic conference, to discuss these studies?

[Answer] In fact, the subsidy issue does get a major part of my attention because it affects the national economy tangibly and because it is connected with the life of the classes with limited incomes and with their ability to face the living burdens.

The subsidy has its numerous economic and social dimensions that make it impose itself urgently on all of us, regardless of our ideological and partisan affiliations, even though these different affiliations reflect themselves by necessity on the way each of us visualizes the policy that must be followed to deal with this issue.

Like the other complex and intricate issues, the subsidy issue cannot withstand simplified solutions, sweeping pronouncements and faulty generalizations.

Because it is a national issue, I have decided to present it for dialogue between all the Egyptian parties. The issue is one that concerns all of us and it is not right for one party or political grouping to make the decision on it.

In addition to the parties, I have found it beneficial to have some specialists in this field take part in the dialogue and I have invited them to do so.

What is important is not the final form which the dialogue will assume and it is not whether this dialogue will end up with the holding of a conference similar to the economic conference or will assume some other form. What is important is that the issue get the attention and the objective study it merits. We have been eager to provide the necessary data to the participants in the dialogue without any discrimination between them on the basis of their political beliefs or affiliations. It seems that the issue will ultimately require a general meeting that may take the form of a conference or a working team to discuss and debate the studies made and to examine the various viewpoints for the purpose of reaching a common base whose help we will employ to deal with this problem.

I would especially like to draw attention to one of the important aspects of the subsidy issue, particularly in the subsidy for bread and flour. This is the aspect of the feverish growth in consumption. Not only is it a phenomenon whose consequences are reflected not only in draining the state treasury but it also means that we are putting ourselves in a position which will not bring us safety and security in the future and which will expose us to pressures and fluctuations.

It suffices to know that the per-capita consumption of wheat in Egypt has risen from 84 kg a year in 1960 to 196 kg at present. This is incomprehensible. On the other hand, Egypt, whose population does not exceed 1 percent the total world population, consumes nearly 6 percent of the world's wheat surplus. This is a situation whose continuation we

cannot condone, especially when we realize that the international problem which will impose itself on the world urgently in the next century is the problem of food shortages and of the inadequacy of food to meet population needs. It is not unlikely that attempts will be made to establish a certain ratio between the population of a certain country and the food share this country gets put of the world surplus. What will our position be then?

This means that we have a national duty to streamline our production by stopping the use of wheat and its byproducts as livestock and poultry fodder and by putting an end to dumping bread in garbage cans.

#### Most Important Accomplishments in 3 Years

[Question] Now comes the time to talk about the most important accomplishments achieved in recent years and the new goals of the coming phase.

[Answer] I believe that this is something that must be left to the people and to researchers and historians. But one can generally state that the most important accomplishments achieved in recent years are:

- Completing the liberation of the national soil.
- Establishing social, economic and political stability in Egypt.
- Initiating the economic reform on the basis of scientific planning and of putting the emphasis on increasing production.
- Entrenching democratic activity and opening a broader door for dialogue and for the interaction of opinions.
- Entrenching the supremacy of the law and equality among the citizens in rights and duties.
- Preparing for a relaxation in the Arab situation and improving the climate of the relationship between Egypt and the other Arab countries.

Perhaps what is more important than the accomplishments achieved in the preceding period is what we aspire to achieve in the coming phase. This will, by necessity, complete and follow up on what has been accomplished because the national objectives are not tied rigidly to certain years after which these objectives terminate or assume different forms.

Within the limits in which we can talk of new objectives in the coming phase, we must note the following:

- Inspiring a comprehensive cultural and intellectual renaissance and enhancing the standard of education.

- Controlling the population explosion and achieving tangible progress in family planning.
- Developing Egyptian industry and setting up new industrial complexes that focus on advanced technology.

#### Elections Before Selection in Party

[Question] I raised with President Husni Mubarak some issues concerning the National Democratic Party, saying to his excellency:

Because MAYU is the paper and organ of the National Democratic Party, the issue moving the party's movement forward, of gathering its ranks and of creating intellectual unity among its members urges us to raise with Your Excellency some of the issues concerning the party, especially the issues of:

- Establishing the bases in accordance with which the Political Bureau members are chosen.
- Achieving democracy within the party.
- Establishing the method of selecting the party leadership.
- Determining who is the member entitled to participate in selecting the party leadership.
- Evaluating the partisan effort on the basis of giving, especially in the latest elections.
- Is it the party of the government or the government of the party?
- The governors and their mistakes which are shouldered by the partisan leaderships and the issue of the other parties.

[Answer] The ideal solution that should be followed by the political parties is to have all the leaderships elected by the base because the partisan leaderships derive their legitimacy from the satisfaction of the party masses with them and their trust in them. It is not right to resort to selection, except within the narrowest limits and only in the transitional phases. The National Party will witness large-scale movement in this direction next year.

#### Criteria for Selection of Political Bureau Members

As for the criteria for selecting the Political Bureau members, they are, briefly:

- Close union with the masses and the ability to express their demands and aspirations.

- The candidate's possession of adequate credit in public service and his ability to prove that he can contribute in a sphere important to the masses.
- Experience in partisan action and a gradual rise to the leadership levels.
- Establishing a balance between the continuity of partisan action and injecting the party's leadership agencies with young elements that have proven their ability and competence.

Purity and integrity.

Democracy within the party is achieved in several ways, especially through assuming leadership positions by election, through providing the opportunity for participation in the discussion of public issues, through crystallizing the opinions from bottom to top and through encouraging dialogue and the expressions of the various viewpoints without sensitivity or restrictions.

#### Member's Behavior During Elections

In evaluating the performance of every party member, the record of his activities must be examined. There is no doubt that the member's behavior during an election campaign is considered an important yardstick of his partisan commitment and of his ability to move amidst the masses and to interact with them. Therefore, the member's performance during the election campaign can be a sound yardstick for assessing his role.

But this does not mean that members who have exerted active efforts during the election campaign should expect a reward for what they have accomplished because partisan positions, like other public service positions, are not given as a reward. A member committed to the party should not aspire for personal glory but should act ultimately to serve his country.

There is another concept that is tied to this one, namely that the successful party member should rise above personal interests and benefits and should devote all his capability to serving the district he represents and to serving Egypt, which is our mother district.

#### Relationship Between Party and Government

As for the relationship between the party and the government, it must be made clear that it is the party's government, not the government party. Even though the circumstances engulfing the emergence of the party in 1978 dictated that the party form the government and assume its responsibilities and powers, this does not mean that the party should be an extension of the government and a shadow of the government. Conditions must be restored to normal, namely that the government should emanate from the party and should reflect its thought and program and not vice versa. The coming years must witness the entrenchment of this concept because this is not achieved

through raising slogans but rather requires action and the entrenchment of traditions that enable the party to direct the government, to present its programs and to participate in observing its performance on behalf of the masses.

#### Our Arab and Foreign Policy

[Question] With the interview approaching its end, I had to touch on our Arab and foreign policy and I said to his excellency:

Your Arab and foreign policy, which has been characterized by clarity, frankness and firmness and which always emanates from your true patriotism, has scored throughout the past 3 years numerous victories and successes at the Arab and international levels. The reader in Egypt and in the Arab homeland from the Gulf to the ocean is interested in knowing your excellency's evaluation in light of what has happened in the past 3 years.

[Answer] I believe that the policy we follow at the Arab and international levels is capable of achieving the national interest and of protecting the national security in its comprehensive sense.

At the Arab level, we find that the starting point is the belief in the unity of interest and of the destiny of all the Arab countries and the impossibility of the rise of a real conflict between the interests of the Arab peoples.

As long as the interest is the same, then this should be reflected in the policy adopted by the Arab governments so that a greater degree of solidarity may develop and so that the sphere of agreement and the sphere of diverse interpretations may be defined. Agreement can be reached even over disagreement and the Arab nation may perhaps reap benefits from this. There can also be an "understanding" on the role which every Arab country should play to achieve the pan-Arab goals.

#### Year 1985 Is Year of Correcting Arab Course

Within this framework, it becomes necessary to stop the propaganda attacks and the exchange of slander and accusations, especially the accusations of treason and of lackeyhood. These are words that have, very regrettably, become common in the Arab political reality. The effort expended by the Arab countries in these propaganda campaigns can be channelled toward achieving good or repelling harm.

It is my assessment that every day that passes on this area, which is swelling with currents and challenges, strengthens our belief in this danger and gains new supporters among the Arab nation's sons who are becoming aware of the growing dangers around them at a time when vast material and moral resources are available to them to achieve their goals.

I want to point out in particular in this context the major step taken by Jordan for restoring full diplomatic relations with Egypt and say that this decision represents the highest degree of responsibility and reflects a sincere vision of the pan-Arab interest because it has been made for one purpose, namely to bolster Arab solidarity and to break the vicious circle of fragmentation and aimlessness that is afflicting the Arab nation.

I expect that other Arab countries will follow Jordan's example in the coming months, thus making 1985 the year of correcting the Arab course and of restoring affairs and conditions to their normal course.

At the end of this comprehensive and invaluable interview, I cannot find words to express the gratitude I feel for the great man who leaves no opportunity pass without reaffirming his care and support for MAYU and his eagerness to see that it always gives to its readers what is new and beneficial.

I do not doubt for a moment, and my words are addressed to all the parties and institutions in Egypt and not just to the National Party masses, that this serious interview is fit to act as a working paper on which dialogue, discussion and study are held. Let us start with President Husni Mubarak a new and happy year of his administration.

I urge all our parties and institutions to study this comprehensive and invaluable interview which abounds with hope and optimism. I urge all, both majority and opposition, to transform the president's words into an action plan that is implemented.

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EGYPT

## EGYPT'S MIDDLE EAST POLICY SEEN AS PATH TO PEACE

Cairo MAYU in Arabic 22 Oct 84 p 2

[Article by Lutfi 'Abd-al-Qadir: "Opening New Horizons For Establishing a Just, Comprehensive Peace"]

[Text] The strategic credibility and realism of Egyptian policy has stifled the voices of the loudmouths and skeptics, and their front, which they had been calling the "Perseverance Front," has been shattered now that the falseness of their claims and slogans has been proven positively, tangibly and substantively. When the time came to act, when truth prevailed over falsehood, when the white thread could be distinguished from the black, they scattered and were gone with the wind. They were seized with fatal consternation and despair when they found that the states which had stood by them yesterday had parted company with them today, and they found themselves in a horrifying isolation with no means of deliverance. They went around like plucked birds, reviling and threatening, but found no one to listen to them, believe them, or trust in them. This is the just desserts of those who do not follow the straight path and who behave insolently towards the honest people who are devoted to their principles and to their great Arab nation stretching from the Atlantic to the Gulf.

It is truly sad that right should return to those who deserve it only after so many years of severe troubles, which had such serious effects on the progress of the Arab nation and which made it prey to wars, splits, differences and struggles ranging from the sublime to the ridiculous. The Arabs cannot return to their former course, but Egypt, with its urban, human, cultural and scientific weight, is capable of repairing the damage and rebuilding what has been destroyed, and has actually begun doing so by taking deliberate, firm, confident steps to establish a peace which will not waive a single Arab right or surrender a single grain of Arab sand. Its Arab sisters, who had severed their relations with Egypt in the flood of zealous, empty slogans released by the loudmouths and skeptics, came back to Egypt's side when it decided upon peace as a means of regaining the occupied Arab territories and restoring the legitimate rights of the Palestinian people who had been expelled from their homeland. Fraternal Jordan showed the way by openly calling on other Arab states to bow to the higher interests of national Arab issues affecting the future of present Arab generations and ones to come.

The fact is that ever since Egypt chose peace as a way of solving the Arab-Israeli struggle, it has taken no step to support and strengthen this peace which was not in the context of Arab unity and the policy of non-alignment and rejection of all privileges which either superpower might grant, in spite of its excellent relations with the United States. In order to achieve this goal, Egypt resumed relations with the Soviet Union, so as to help eliminate any obstacles to finding a permanent, comprehensive, just settlement for the Middle East crisis. It has backed Yasir 'Arafat as the only person capable of uniting the voices of all the Palestinians to confront the threats facing the Palestinian cause. It froze its peace with Israel to get it to withdraw its forces from fraternal Lebanon, recognize Palestinian rights, and draw back from Kilometer One inside Egyptian territory at Taba. It has established integration with the Sudan, in the belief that both Egypt and the Sudan are part of the Arab world and that the increased production efficiency, improved standard of living, and free will and independence which will be achieved through this integration will help lay strong foundations for any subsequent, general, comprehensive Arab action.

Egypt's realistic, credible policy has received the support and encouragement it deserves from Arab and foreign official and popular levels and from the information media. AL-WATAN AL-'ARABI, published in Arabic in Paris, says, "President Mubarak prefers walking on the ground to floating in space. He tells the people humbly, 'I am governing you, but I am no better than you are.' President Mubarak has not permitted any labels or nicknames, shows no favors to his relatives, and has no proteges." The magazine stresses several distinguishing features of President Mubarak's personality and devotion, perhaps the foremost being that he does not follow the whims of the politicians. He has a soldier's discipline and keenness, the asceticism of a warrior, and the quietness and patience of a truly intelligent man. The Yugoslav magazine DANAS says that this policy has maintained Egypt's position of leadership in the midst of regional current events, and explains that ever since President Mubarak came to office he has operated according to a strategy based on the policy of non-alignment. The magazine comments on the resumption of Egyptian-Jordanian relations, saying that this opens the way to new horizons for solving the Middle East crisis. Alluding to the so-called Perseverance Front, it says that this front might break up soon.

Under the heading "In Whose Interest?" AL-QUDS, the Arabic-language paper published in the occupied territories, discussed Egypt's support for Yasir 'Arafat. It said, "Those Palestinian and Syrian brothers, sisters, friends and family who are calling for Yasir 'Arafat's head, chasing him from Algeria to Yemen to Moscow, and demanding that Palestinian action be suspended in the interest of those who are leading this harsh pursuit--what benefit do they hope to reap from this constant, violent hounding?" AL-QUDS says that this spiteful pursuit of 'Arafat arises from personal malice and is not in the interest of the Palestinian cause. If the Palestinians had a nation to turn to, a land to stand on, we would not have become so insolent towards these people, to the point of imposing our will on them. The paper implored everyone to show more responsibility and consider the deteriorating situation

in the occupied territories, so that they can stop their attacks and their attempts to deprive the Palestinian people of their will.

We say that the secret to Egypt's political might lies in its rejection of any interference in Palestinian affairs or in the affairs of any state.

8559

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## ASSEMBLY ADOPTS REVENUE RAISING MEASURES

London AL-AHRAM: AL-TAB'AH AL-DUWALIYAH in Arabic 3 Oct 84 p 6

[Article by Mahmud Mu'awwad, 'Abd al-Jawad 'Ali and Sharif al-'Abd: "Two Percent Surtax on Anyone Earning More Than 18,000 Per Year. The Government Calls for a Minimum Family Budget in Egypt Appropriate to Wages."]

[Text] The People's Assembly yesterday affirmed its partiality toward the limited-income class and affirmed its approval of the principle of taking from the rich for the benefit of the poor. This occurred in a plenary session of all the parties and political movements on increasing the fees and taxes designed to increase the country's financial resources.

Yesterday, in the morning session presided over by Dr Rif'at al-Mahjub, the assembly approved: a change in the fee for an application for Egyptian citizenship from 5 to 50 pounds, as proposed by National [Democratic] Party deputies Ihab Muqallad and Hamdi al-Tahan; an increase in the penalty for a late application for a residence permit for foreigners from 10 to 20 pounds; an increase in the penalty for late notification of lodging a foreigner, employing a foreigner, or departure of a foreigner from 10 to 20 pounds; an increase in the fee for making photocopies of registered real estate announcements from 70 to 100 centimes. The Assembly rejected the proposal of Dr Milad Hanna to set the surtax on incomes extending 18,000 pounds per year at 3 percent, limiting it instead to only 2 percent.

Minister of Economy Dr Mustafa al-Sa'id announced in his comments to the deputies during the discussion of the state's general budget that the value of the Egyptian pound in relation to the foreign currency basket had increased between 7 and 8 percent.

Minister of Planning Dr Mustafa al-Janzuri announced that current expenditures have increased 16 percent, of which 2 billion have been allocated for education and health, as a result of an important meeting that was taken into consideration in the plan.

The Assembly opened its session with a discussion of the Law to Increase the Financial Resources of the State. The first speaker was 'Abd-al-Karim 'Abd-al-Muwali, who said: "We are at a stage where we need the participation of all those who are able to all projects, now that it has become clear that the

state cannot handle all the burdens that are thrown on its shoulders. I believe that there are sectors that should have been taxed, and our colleagues who are specialists can suggest which ones. I propose that fees be imposed on clubs and competitions, on condominiums, on the cinema and theater and on furnished apartments."

The deputy called for an increase in the exit taxes imposed on Egyptian tourists leaving the country. Counselor Mumtaz Nassar, the leader of the opposition said, "I agree that those who are able should participate in increasing the state's resources. Logic dictates that these resources should be increased, and we approve of the law."

(Applause from the majority)

Ahmad Darwish (Wafd Party): "I approve of the law, and we have to add other new sectors."

Hamdi al-Tahan (National Party): "These fees stipulated in the law are too modest, and are not appropriate to the state's situation nor to the implementation of the goals of the plan. It is not reasonable that the late penalty for someone lodging a foreigner be 10 pounds. I propose that the fine be not less than 50 pounds, and that the fee for someone applying for Egyptian citizenship be not less than 50 pounds."

Hasanayn Salam (National Party): "There are the private and profit-making hospitals. The fees obtained from them must be increased, since we see the doctors raising their fees so terribly high."

Minister of Finance Dr Salah Hamid: "I am pleased with the ideas of the deputies of the People's Assembly to increase resources, i.e., that professionals should pay taxes and that private hospitals represent a commercial project and should contribute taxes, and that this law should apply to those whose income exceeds 18,000 pounds." Mamduh Jabr: "The Medical Establishments Law has fixed the fees for all hospitals and the Doctors' Union no longer sets the maximum fees. Implementation of the law awaits the decision of the minister of health."

Dr Milad Hanna (Grouping Party): "This law must be the first drop of a rainfall. I propose that this law be turned over to the political parties and to the Workers' Union so that the revenue will be 400 or 500 million pounds."

The president of the assembly (interrupting): "With the amendments, it would be about that much." Dr Milad Hanna: "I would like the law to apply to incomes about 12,000 pounds instead of 18,000 pounds, and at first 2 percent rather than 3 percent. I think that the passport fee should be reduced from 20 pounds to 10 pounds. Granting Egyptian citizenship should be expensive. The fee for a gun permit should be increased because whoever applies for a permit must have a sum of money that he wants to protect."

"I salute the government and support the bill."

Ihab Muqallad (National Party): "There is a large and clear deficit in the budget and we should take what is due from the rich for the benefit of the poor. The assembly should favor those who work hard, there being 2 percent in Egypt who are at the top of the social ladder."

"With respect to desert lands, why don't we take 50 pounds from the sale of every feddan? We should also raise the exit tax to 10 pounds. A half a million Egyptians spend the summer abroad and they unfortunately eat up sources of tourist income. It must be stipulated in the law that anyone who leaves Egypt for work or tourism will pay an exit tax of 5 pounds [sic], along with an increase in the fee for a gun permit from 25 to 50 pounds." Sayf al-Ghazali (Wafd Party) said, "I propose increasing the fee for Egyptian citizenship to 500 pounds, and the gun permit to 1000 pounds (commotion in the hall). We have to forget personal interests when we increase financial revenues. Sky-scrapers should pay 5,000 pounds."

Tawfiq 'Abdu Isma'il, minister of state for People's Assembly and Consultative Council affairs: "I would like to put on record the government's pride in the support of the people's representatives for this bill. The Assembly has become convinced of the necessity of moving expeditiously rather than presenting [the bill] to the parties, since we have what looks like a consensus on the fee that all the honest people will pay but which will not affect tax-evaders. We must monitor the situation so that we do not induce those who have money to hide it. We should say that the law is a step in the right direction rather than a beginning." Mamduh Qannawi (Labor Party): "I demand that fees for permits be increased for new real estate, functions in the big hotels and the sale of large buildings." Thurayya Labna: "There is an urgent need for a reevaluation of the state's principal revenues to help reduce the budget deficit which is now at 5.4 billion pounds. I propose that fees be imposed on all social events. If there are large fees for marriage, why don't we put larger fees on divorce, the occurrence of which has increased in recent times. Increased fees should also be imposed on those who travel abroad as tourists in addition to the exit tax and the 10 percent surcharge on airplane tickets. We should also increase the gun permit fee from 25 to 50 pounds. All of this will have the effect of lightening the burden on the broad base of the working classes."

After closing the discussion, the assembly unanimously approved a bill for the imposition of fees to increase the financial resources of the state.

Dr Rif'at al-Mahjub: "I salute the assembly, which knows when to agree on a matter concerning the state's due."

In discussing the bill item by item, the assembly rejected the proposal of Milad Hanna to set the surtax on incomes exceeding 18,000 pounds per year at 3 percent, limiting it instead to only 2 percent.

Concerning the paragraph dealing with the imposition of a fee on operating an automobile, Nawal 'Amir said, "We should consider this bill very carefully, especially paragraph eight, dealing with imposing a fee on cylinder capacity. How can small automobiles be taxed when their use has become a necessity for the limited-income and working classes who cannot find a place on public transportation?"

Dr Rif'at al-Mahjub: "This law has taken enough time for study, and all the appropriate agencies of the state have participated."

The assembly gave its unanimous and final approval to the bill and to its expedition.

The report of the Planning and Budget Committee said that the law aims to achieve social justice and social solidarity and to strengthen the economic factors specified in the constitution. It seeks to increase the state's financial resources to enable it to carry out the comprehensive development plan without increasing the burden of the broad base of the people and those with limited incomes or reducing the financial support specified for these groups.

It was therefore decided to impose a tax called the Tax to Increase the Financial Resources of the State, involving low rates or specified amounts on those with high incomes and on certain services.

The bill prepared the mechanisms to achieve this goal by providing in paragraph one for the imposition of the Tax to Increase the Financial Resources of the State on incomes and services designated by it.

It is specified in paragraph two how the incomes subject to this tax are to be determined. The determination will take place according to the rules and principles that are taken as the basis for assessing the specific income taxes specified in Law No 157 of 1981.

The value of real estate transactions specified in paragraph nineteen of the above-mentioned law is subject to a fixed tax of 5 percent of the value of the transaction regardless of profits. Similar is the case of proceeds from farm harvests, which are subject to taxation according to specific rules specified by the soil tax, which is also a fixed tax. It was accordingly decided to exempt them from this tax.

The incomes of workers as well as chairmen and members of company boards of directors and other groups specified in the law may have a number of sources. The law requires those groups whose income exceeds 18,000 pounds per year to submit an annual declaration to the appropriate tax authority within 2 months of the end of the fiscal year, stating the amounts and sources of income received during the year preceding the declaration.

The Tax to Increase the Financial Resources of the State is itself independent of the taxes or fees to which incomes and services are already liable. The law states that this tax will be collected in addition to the tax or fee for which the income or service is currently liable.

The law states that this tax will not apply in cases of exemption from taxes and fees in accordance with general and specific laws, except for incomes.

Paragraph four of the bill disallows exemption from the tax unless an exemption is specifically provided for. It also provides that all the tax revenue should be sent to the general treasury.

Paragraph six provides that this law be published in the Official Gazette and that it take effect from the date of its publication, except for the tax on commercial, industrial and non-commercial net profits, which would start from the tax year 1984 or the fiscal year that ends during it if it ends after the date the law goes into effect.

When the floor was opened for discussion of the state's general budget, 'Adil al-Hoddad said, "The use of loans granted must be restricted to financing the production of goods and conserving capital without increasing the dependence on these loans."

"I would like to point out that the oil profits and the Suez Canal Authority are in a state of continuous decline, and likewise public sector profits, at a time when the utmost effort should be exerted to develop all these revenue sources and turn them into effective instruments in confronting the deficit."

"We demand that compulsory prices be reevaluated and that we stop immediately the policy of subsidizing production materials and subsidize the final product instead."

"The time has come for the state's principal revenues to be several times the levels being achieved at present. In my opinion, the taxes and duties up to this point have not yielded the necessary levels. A tax assessment must be made immediately for all situations, even for the year 1983. This in turn could increase the yield to 3 billion pounds."

Ahmad Hamad (Wafd Party): "I noticed that the minister of finance, in his statement, did not concentrate on production, nor did he indicate the direction necessary for the present, which is self-reliance and covering the main expenses from real revenue. With respect to the public sector, I believe that it has been seriously mistreated because it is restricted by a price policy and even its non-essential products are restricted by compulsory prices. For example, televisions and electric appliances are all restricted by a compulsory price, despite the freedom with which all the private sector companies sell."

"I want to point out the seriousness of rising wages, since the rising wages have reached 400 percent in the textile industry, which represents a serious obstacle to profits and an increase in productivity. Nevertheless, I do not believe that the figure of 600 million pounds projected in the budget as return in the public sector is too high."

"With respect to oil, the minister of finance says that oil prices are tending to decrease, yet the oil surplus has increased by 212 million pounds, whereas it decreased last year by 178 million pounds. The government cited operation at full capacity and increased production as explanations, but I believe that we must start to conserve oil until the price rises because crude oil is wealth for our coming generations."

"I call for the support and development of the inspection agencies because there have been many complaints about the agencies involved with inspection and about the Agency for Standardization and Industrial Oversight."



"I would say that if we are striving toward democracy then a law should be made establishing the criteria for supporting the parties so that they are not forced to resort to the Consultative Council."

Dr Milad Hanna (Grouping Party): "Actually, I was hesitant about accepting my appointment as a member of the Peoples' Assembly because I was afraid I would be alone in this assembly, or I would not be able to accomplish what was expected of me. But it was the presence of Dr Rif'at al-Mahjub in the assembly that encouraged me and reassured me a lot. In view of the discussion on the budget, I confirm here now that the period of 'Abd-al-Nasir was a great period, but he concentrated everything in his hand, and that is why there were problems. History will remember President al-Sadat as a giant who left a strong imprint and I feel that the winds of change are great with President Mubarak, and that he will contribute a great deal to Egypt if there is a responsible cabinet and a true and responsible People's Assembly. By means of these institutions, we will become like the countries of Europe, which do not depend on an individual, but rather on institutions. During the period of these sessions I have felt that if I had refused to come into the assembly, I would have denied myself this opportunity to participate. The first positive signs of impressive accomplishment are what I have seen today in the law to impose taxes on those who can afford it."

At this point the members asked if this introduction would be counted against the time specified for the members. The president of the assembly replied, "This introduction will not be counted against the time."

Dr Milad Hanna: "I have noticed that the general budget is academic in nature and is missing the political pulse. This was surprising after elections in which the real nature of the people became known. There are millions of Egyptian families that have difficulty balancing their budgets. We were hoping for a minimum family income on which the wages of every family would be based. The carnival of prices is a reflection of an unstable economic reality. The eminent minister has become middle class. There is now another Egypt--the Egypt of the open-door policy and the hard-working Egypt, and we will not be able to resolve this unless we return to Egypt. We are against violence and in need of economic measures that will provide growth for this country."

"Everyone in Egypt is rich except the government--and this is something serious. I recommend that there not be any publication prohibition regarding democratic tax decisions that might feed the economy, and that will spare the government some effort. I say to the wealthy people of this country that if you do not hurry and contribute a part of your wealth, then we are not responsible for what might happen to you in this country."

"I salute the financial report to increase the consumption tax and call for the establishment of a general tax (sales tax) that would be a tax according to consumption that would inhibit luxurious consumption."

The president of the assembly (interrupting): "This tax is not appropriate to developing countries because it represents a burden on the poor."

Milad Hanna: "The National Party has a number of wings, among them the leftist movement and the Nasserite movement. The National Party has to give these two movements their place in the party."

President of the assembly: "This characterization is inappropriate. The National Party is one party." The president of the assembly ordered that the comment be stricken from the minutes and the assembly agreed because this matter concerns the party. Then some of the majority members said that the comment was offensive. Dr Rif'at al-Mahjub commented, "We are not at all used to hearing offensive comments from Dr Milad Hanna."

Minister of Economy Dr Mustafa al-Sa'id: "The budget is by its nature concerned with the political pulse that the National Party senses in the Egyptian street, and there is no greater indication of that than the law to increase resources, which will offer the opportunity to limit the subsidy problems."

"Agricultural exports have increased by 16 percent and industrial exports by 24 percent, which means a constant improvement in economic performance. In addition, the value of the Egyptian pound has increased in comparison to the foreign currency basket by between 7 and 8 percent."

Minister of Planning Dr Kamal al-Janzuri: "It is the production issue that determines the course of the economy in Egypt. Current expenditures have increased by 16 percent, of which 2 billion pounds have been allocated for education and health, after an important meeting. In another meeting, it was decided that income is to increase by 11 percent and this increase is due to those who are well-off."

12727

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GOVERNMENT CRITICIZED FOR PRICE POLICIES, EMERGENCY LAWS

Cairo AL-SHA'B in Arabic 9 Oct 84 p 4

[Article by Ibrahim al-Ziyadi: "An Impotent Government--What Is Left of It?"]

[Text] What is going on now on the domestic scene augurs no good at the very least, if it does not warn of many things to come.

Over the last few days, the ruling party government has been laid completely bare before the popular masses in various areas which impinge on the people and their freedoms and strength, as well as on the loaf of bread which they still want to obtain easily without any difficulty or trouble.

It has been proven beyond doubt that all the statements and promises which we hear on all occasions and at all levels in this blessed Mubarak era are nothing more than an attempt to mock the masses. They are nothing but lies and falsehoods, just like the ruling party's latest description of itself as "national and democratic!"

This became completely clear when the prices for food supplies went up time after time. The government even dared to commit the crime of raising the price of a loaf of bread, which the people even now are trying to obtain easily, without hardship or difficulty.

We warned the government against committing this crime, but as usual it paid no attention to sincere words, wise talk, or correct opinions. It heard only what it wanted to hear, and among itself ridiculed all this pious talk about loaves of bread.

All this honeyed talk with its bitter aftertaste has been heard before, when this party government raised the price of a loaf of bread from 5 to 10 piasters, and the price of a bus ticket from 10 to 20 piasters. There cannot possibly be any justification for taking this wrong step, and the people cannot possibly accept it. In fact, they are denouncing it now and will continue to do so, because it does not satisfy hunger, quench thirst or alleviate any of the sufferings of their life.

It is our duty to try to alleviate suffering, but this ruling party government is still far from performing this duty, and in fact is totally incapable of doing so. This fact has become an almost absolute certainty, and the people's belief in its veracity is increasing with each passing day.

This conviction has been confirmed by this government's extension of the emergency law for an additional 19 months, which means that it will have been in effect for close to 5 years--as if the country were capable of surviving under such a detestable emergency regime. The fact that this party government cannot survive except through these exceptional laws is a serious matter for the people's daily life at home and abroad. Before all the countries and peoples of the world and to our very faces, at the same time the head of government says that there is not a single political detainee in Egypt, the government comes forward with this law, insists on it, and uses improper means to prevent its review by the People's Assembly--even though the ruling party won an overwhelming majority in the last elections, which were conducted by this same party government and rigged and falsified to obtain this result. If what the head of government says is true, then in any country which actually enjoys democracy, what justification is there for disregarding normal laws and resorting to exceptional emergency laws, with all the infringement on citizens' rights and the derailing of the people and government which this entails? There can be no excuse. Indeed, such laws imposed on the people against their will are a sword hanging over their legitimate, legal and natural rights, even though the sword is sheathed.

Raising the price of a loaf of bread is not an easy matter. It has very serious consequences, and will be sufficient excuse for raising the prices of all foodstuffs for the masses, whose income is still limited in comparison to other countries. It is a fallacy to take into account the income which some workers and peasants get on occasion. We are speaking of millions of overworked people, who crave guavas and dates and want to get them without any difficulty or trouble--in fact, without interference from this impotent government which has bestowed so many blessings on them. They are wishing that it had never had a hand in this matter--that it were one of those normal things which are accomplished without any effort on the government's part or anyone else's part--that this most incapable of governments were in Never-Never Land. These blessings have not been withheld from loaves of bread or from medicines, which are sold at the lowest prices in the world. The government deliberately disregards the fact that our income is the lowest in the world, and that what the citizens of any other European, American, Asian or African country can buy at high prices the Egyptian citizen might not be able to buy even at reduced prices.

Since matters are such with respect to bread, and a state of emergency has been imposed against popular will in a country said to enjoy security and stability, this can only mean that the government is working against these people, their interests and their desires, and that it is incapable of achieving its goals, be they domestic or foreign. This impotence, although it extends to both aspects, definitely encompasses the latter. The proofs and facts are extremely bitter. What has happened in the past few days

does not need much debate or discussion. Although there have been demonstrations of popular will in Kafr-al-Dawwar, this does not mean that the popular masses elsewhere don't feel the same.

The people are wondering what is left of this government, now that its inability to discharge its duties to the people, their standard of living, and their freedoms has become clear. If the call for change, which we have always proclaimed, is a duty, it has now become even more of a duty and an obligation, as a basic solution for reform and elimination of corruption and impotence, if we don't want to forfeit our victory of 10 Ramadan!

8559

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## STUDY EXAMINES OPTIONS IN SOLVING SUBSIDY PROBLEM

London AL-AHRAM: AL-TAB'AH AL-DUWALIYAH in Arabic 12, 13 Oct 84

[Article by 'Abd al-Rahman 'Aql: "What Does the First Comprehensive Report on Food Subsidies for Egyptians Say?"]

[12 Oct 84 p 7]

[Text] This is the first complete and comprehensive study devoted specifically to the problem of food subsidies with the participation--for the first time--of experts from the ministries of economy, planning, finance, supply, agriculture and the Central Bank. The Ministry of Economy treated the issue from the point of view of the economic effects of subsidies and the Ministry of Planning adopted the concept of "social contract" for the subsidies, while the Ministry of Finance presented proposals relating to prices, taxes, limiting the goods being subsidized and how the subsidies should be at the sector level. The studies of the Central Bank concluded that it is necessary to arrive at a clear concept for limited-income classes, to reduce the subsidies on essential goods and to propagate a cooperative spirit to gradually take the place of the consumer cooperatives.

The studies of the Ministry of Supply dealt with a number of alternatives that would improve the subsidy system, correct the ration-card lists in order to make duplication and repetition less likely as well as to identify clearly those who are to benefit from the rationed goods decided upon, or to review the prices of other rationed goods. The study of the Ministry of Agriculture recommended that subsidies to agricultural production be continued as long as the present price policy continues as it is.

This subsidy study, which was prepared by Minister of Agriculture and Food Security Dr Yusuf Wali, also dealt with the research studies and legislative studies on this issue.

#### The Agriculture Subsidy... A Special Case

The subsidy on agriculture is a special case because it is by nature a production subsidy. It represents only about 7 percent of the total subsidy, and 9 percent of the total of rationed goods. The subsidy on the cotton harvest, in which the government bears half the cost of harvest and service, is a reciprocal arrangement for the benefit of the government in return for the difference

between the price for which it buys the cotton from the producers and the price that it would obtain if the cotton market were free of the government monopoly. For example, the total return on a feddan of cotton in 1979 was about 259 pounds, whereas the return at world prices would be 648 pounds. This way the subsidy to the state from the farmer is about 389 pounds, so it is essential that he receive production subsidies in return.

The food production deficit at the beginning of the sixties was about \$150 million, then \$184 million at the beginning of the seventies, then it jumped to about \$1.9 billion at the beginning of the eighties.

These numbers revealed in Dr Wali's study make it clear that if total food production remains constant (and a steady increase is not expected) and the average population growth increases, then domestic production will not meet demand. Consequently, reliance on imports to plug the food deficit will increase, and with the continual increases in world prices, the danger becomes imminent in the form of a diversion of a greater portion of our foreign currency reserves to cover the increased amount in the size of the subsidy.

#### Forty Percent of Subsidy for Wheat and Flour

Wheat and flour represent close to 40 percent of the total subsidies on goods. Nevertheless, the most important reason for keeping the subsidy for these goods is the inability of production to keep up with consumer demand on the one hand, and on the other hand, the increase in the cost of importation. Similarly, one of the most important justifications for keeping it is that the income level of a large segment of the population cannot bear the real cost of the loaf of bread that represents the principal source of the Egyptian's caloric requirements. If the subsidy on wheat were lifted, then someone with a limited income might spend about 10 percent of his income on his daily bread requirement. Switching from bread to another source of nutrition would not solve the problem, but simply move it from one sector to another.

#### Elimination of Subsidies Is Not the Solution

The ideal solution would involve two parallel approaches:

Maximum expansion of the production of grains domestically or of the production of other nutrition alternatives.

A calculated progression in the price of a loaf toward the actual level while at the same time raising the lowest incomes high enough to meet whatever increases in the cost of bread might occur.

Provided that this is accompanied by a plan to expand the production of fodder for livestock and poultry to cover the needs of farm owners. Removing the subsidy from bread will deprive them of the trick of using it as fodder.

#### Determining Those Entitled Is a Complicated Problem

Compensating those groups that deserve subsidies by increasing their incomes to an extent that would allow them to obtain the same food necessities is a

proposal that meets with general approval in official quarters, but it is not an alternative that is more adequate or less difficult than the policy of food subsidies. It is difficult to make a complete and comprehensive assessment of the groups whose incomes should be increased both as to who should be compensated for the food subsidy and as to the amounts that should be compensated, like these increases for the different groups and the estimated costs for this operation. Add to that the fact that increasing incomes is not an effective substitute for food subsidies. The subsidy aims essentially to provide a part of the food necessities to those who cannot afford them at prices that correspond to their financial capabilities and blocks competition for them from those who can afford them. This goal is guaranteed to be achieved given that subsidized goods are distributed by ration cards and distribution outlets are strictly supervised. This guarantee cannot be made if wages are raised and prices are left free to the supply and demand market and there is an increase in the intensity of competition from those who can afford the limited quantities offered.

There is another idea based on a short term (3 years) plan and a long term (10 years) plan that will be implemented within one framework. The short term plan is limited to stabilizing subsidy loans at the level of the loans of the current budget and eliminating subsidies on premium flour, sesame, meat, poultry, imported fish and restricting the distribution of subsidized goods to those who are entitled to use the ration-card system. Those who are entitled to subsidies will be determined on the basis of guidelines for determining exemption from taxes. Meanwhile, goods that are subject to scarcities will continue to be distributed to those who want them by ration-card and at cost. The long term plan guarantees a four-fold increase in the individual's income until the year 2000 and a six-fold increase in the national income in the same period. It also guarantees a gradual change to cash subsidies in the form of wage increases for workers in the government and the public sector and similarly for pensions.

The authors of this proposal cite four factors that must be present before the idea can be applied:

--the achievement of an adequate level for the Egyptian citizen, especially the principal goods to raise the level.

--identifying those who are entitled to subsidies and how to control the market so that we arrive at a balance between supply and demand.

The call to eliminate subsidies is based, from a theoretical point of view, on the fact that unearned income is not matched by productive work and that it indirectly generates a surplus for individuals, which they obtain by increasing their demand for goods and services to the extent permitted. Given that the productive mechanism has no elasticity, subsidies can be added to those factors that support inflation, not to mention the problems that occur when there is an increase in the improper application of the subsidies.

Generally the decision not to have or to eliminate subsidies depends above all on the extent of the predicted effects resulting from removing subsidies from prices, especially with respect to the effect on the quality of life.



In this connection, some people distinguish between two kinds of effect, direct and indirect.

If subsidies are considered a "negative" tax, then their elimination will naturally lead to an increase in the price of food commodities. The extent of the price increase for every commodity depends on the percentage of the price that is subsidized. If the subsidy is 50 percent of the sale price, then the price will rise by the same percentage. It can therefore be said that the direct effects of removing subsidies are reflected exactly by determining the proportion of subsidy over consumer price for every ton of the subsidized food commodities.

According to statistics for the period 1973-79, the ratio of subsidy over consumer price for certain food products was on the average: 211.5 percent for wheat; 79.2 percent for flour; 165.8 percent for lentils; 104.3 percent for polished rice and 671.8 percent for frozen meats. If this is the case, this means that food prices will increase considerably if subsidies are eliminated since statistics show the average rate of increase [sic] to have reached 761.8 [As published] percent and 211.5 percent in the case of meats and wheat respectively. There is no doubt that these increases in food prices after the elimination of the subsidies will be followed by increases in the cost of living. Given that food is a necessary commodity, it is likely that the price elasticity for most food commodities will be much less than 1. Consequently, an increase in their prices will not lead to an appreciable reduction in the amounts consumed and this will therefore be followed by a rise in the cost of living for consumers by a percentage that can be estimated as equal to the ratio of the subsidies over their total expenditures, which vary according to the different income levels.

It should be pointed out here that the direct effects of eliminating subsidies will be sharper and more damaging to those in low and middle-income groups than to those with high incomes, since the general tendency is for those with limited incomes to devote a higher percentage of their expenses to food than do the rich. This can be confirmed statistically by examining the results of a study of a sampling of family budgets for the year 1974-75 in Egypt. They indicate that expenditures on food represent 64 percent of the total expenditures for groups whose income is less than 200 [sic] pounds per year as compared to 34 percent for those groups whose yearly income exceeds 2,000 pounds.

Subsidies represent a high percentage of the total consumer expenditures for limited income groups, representing 25 to 50 percent. It can thus be said without exaggeration that the increase in the cost of living for these groups will also be about the same percentage. The main harm incurred by these groups lies primarily in their limited mobility to avoid effects like this increase in their living expenses. This limits the possibility of lowering the quantities of food commodities that they consume in general, especially since the price elasticity for food for these groups is low, as we mentioned. Similarly, the lack of significant savings among these groups limits their ability to compensate for increases in expenses by drawing on savings. Thus the only possibility for these groups is to reduce the percentage of their income spent on food on the one hand, in addition to changing their spending patterns for food by decreasing their consumption of high-priced commodities like meat and trying

to compensate for this by increasing their consumption of cheap starches like corn. This perhaps explains the point made in the World Bank study that if an individual with a limited income tries to compensate for his subsidy share by following an alternate policy, his share of calories will drop by 100 to 200 calories per day. Naturally this calory deficit will be greater if he cannot compensate for the subsidies using an alternate policy.

[13 Oct 84 p 9]

[Text] The matter is quite different for high-income groups in that they have more flexibility to avoid the effects of a subsidy elimination. Subsidies do not represent a large percentage of their total expenditures, between 7 and 15 percent, and they generally tend to spend less on food (34 percent on the average, as we mentioned). There is in addition the important factor that they have enough savings to draw on to meet increases in the cost of living in case subsidies are eliminated.

The effects of eliminating subsidies would not be limited to an increase in the cost of living as a result of price increases that would inevitably replace the subsidies, but would go beyond that to indirect cost increases.

It is obvious that many subsidized goods represent intermediate products in the production of many other goods. Therefore, an elimination of the subsidies and a rise in the price of these goods will necessarily be accompanied by a rise in production costs, and then in the price of the final product. For example, eliminating the subsidy on Indian corn, which is sold to cattle producers, would lead to a price increase of 180 percent according to some estimates, and consequently to an increase in the price of fodder and then an increase in meat prices.

There is no doubt that if prices were increased in this way there would be a continual call for the necessity of increasing payments like wages, salaries and fees for professionals and others. Generally, especially in government departments, there will not be a direct connection between the increase in salary and productivity, which could lead to an increase in production costs and subsequently a further increase in prices and a continuous vicious circle of wages and prices.

These alternatives are reducible to: maintaining the system of subsidies as it is; eliminating the system of subsidies; or rectifying the system of subsidies. Dr Wali's study discusses each alternative.

The first alternative is to maintain the subsidies as they are. The advantage of this is that it would make life easier for all citizens. The disadvantages are: it makes the whole society in effect bear the costs of the subsidies; those who are not entitled to subsidies benefit from them and from wasteful consumption; the appearance of black markets and the exploitation of the public by middlemen; lost opportunity cost to the economy; failure by the pricing agency to fulfill its role of allocating resources on an economic basis; the continual burden born by those who are in need to subsidize those who are not (transfer subsidy); lack of incentive to increase productivity in some goods.

The advantages of eliminating the subsidies are: it would save the subsidy loans incorporated into the general budget; pricing of goods and services at their market value; curb on consumption; reduction in the inflationary deficit and the possibility of a consequent general drop in price levels.

The disadvantage is that some groups in society will assume living costs that they are not in a position to assume because their incomes are less than the minimum for a reasonable standard of living.

The third alternative is to rectify the subsidies by maintaining them on some goods and eliminating them from others and by using various means (cash, coupons, group cooperatives, etc.) to assure that they reach those who are entitled to them.

The advantages of this are that the subsidy loans in the budget will be reduced and those who are in need will achieve the minimum goods and services for a reasonable standard of living.

The disadvantages are: it is difficult to determine what is meant by essential goods; it is difficult to identify and contact those who are entitled; instituting a two-price system will then provide middlemen with opportunities for exploitation; some groups in society are concerned about buying subsidized goods at the expense of production.

Weighing the advantages and disadvantages we find that the third alternative, i.e., rectifying the subsidies, can be considered the best of the possible alternatives for the short term. But because all the talk about rectifying the subsidies has not been accompanied by positive steps to achieve it, public confidence in the idea has been shaken. Therefore, when a decision has been made on any of the alternatives, serious and immediate steps must be taken to apply it so that the public will notice a tangible effect from it.

Taking a profound look at the study presented by Minister of Agriculture and Food Security Dr Wali to President of the Consultative Council Dr Subhi 'Abd al-Hakim makes clear the extent of the confusion provoked by the subsidy issue at the economic and social levels and it is not easy to dispel this confusion. This is the reason for President Mubarak's call for a national dialogue. The study's analyses lead one to imagine that we need to define clearly who should subsidize whom. For example, while the state is engaged in lowering the prices of many crops and exempting agricultural production material like tools and seed from taxes and customs duties, we find that the government is setting the prices of many agricultural products, like cotton, wheat, fava beans, lentils, sugar cane, peanuts, sesame and soy beans for domestic and export trade. If we take into account the difference between the farm prices for these products and their export prices, we can estimate the surplus transferred to the national economy at about 500 million pounds per year. This at a time when the average income of a rural resident is less than that of urban residents by a large percentage because the transfer occurs primarily at the expense of the rural area.

## BRIDGE COMPLETED TO OPEN NEW HELIOPOLIS-HULWAN HIGHWAY

London AL-AHRAM: AL-TAB'AH AL-DUWALIYAH in Arabic 14 Oct 84 p 3

[Article by Hasan 'Ashur: "The King Khalid Bridge Opens Today; Work On It Stumbled Along For 9 Years, and Was Finally Completed in 5 Months After Being Visited By the President Last May"]

[Text] Today is the opening of the King Khalid bridge to the 51-kilometer Heliopolis-Hulwan Highway. This bridge has a story to it in that work on it stumbled along for 9 years during which only 40 percent of it was completed. When President Husni Mubarak inspected the work site in May, 60 percent of the work was still to be done. This percentage, which is over half the size of the project, was completed in only 5 months.

The Heliopolis-Hulwan Highway, which has cost the state 75 million pounds, will solve much of the traffic problems within the Greater Cairo area and will reduce truck traffic there by 40 percent. This highway, which starts at kilometer 4.5 on the Cairo-Suez desert road and ends at the Shubak port south-east of Hulwan, has a story of its own.

Although the project started in 1975, the whole of what had been completed in the 9 years up to the day of President Mubarak's visit on 7 May 1984 did not exceed 40 percent of the body of the bridge. Yet from the time of his visit to the project until now, i.e. within 5 months, 60 percent of the body of the bridge has been completed. If we compare the amount of work completed with the time taken to complete it, we find that after President Mubarak's visit performance increased by 250 percent.

Twenty engineers, among them a young woman, and 150 workers and technical people worked around the clock and experienced long hours during which thousands of cubic meters of mountain were blasted through with explosives and rock was crushed on a slab whose working parts were 4,000 tons of reinforced steel and 10,000 tons of cement.

Now, after the completion of this big bridge, how does the traffic passing on it help the movement of cars within Greater Cairo and how is it related to the Heliopolis-Hulwan Highway, which is 51 kilometers long and has cost 75 million pounds?

Engineer Mahfuz Hanna, president of the Greater Cairo Construction Agency, explains the goal of building the Heliopolis-Hulwan Highway as serving the industrial areas in Hulwan by transporting its products to the different areas of the republic by way of all the access points of Greater Cairo, on both the desert and the agricultural roads. This is done without entering traffic within the city of Cairo, which reduces the pressure on the Cairo traffic system by 40 percent. In addition, it serves the residential areas of Nasr City, Ma'adi, Hulwan, New Hulwan and 15th of May City. It also reduces the pressure of truck traffic on Giza by diverting heavy traffic coming from Upper Egypt directly to the Maraziq Bridge so that it does not enter the city of Giza. At the same time, the highway is considered an alternative to the Nile Corniche from Old Cairo to Hulwan.

The highway is 51 kilometers long and is being built in four sections.

--Section One goes from the Cairo-Suez desert road at kilometer 4.5 to the Salah Salim Road in the area of Bab al-Wazir and is 10.78 kilometers long. This stage has been completed and open to traffic since December 1981. This stretch relieves the Salah Salim Road of part of the rush hour traffic in the section running parallel to it.

--Section Two goes from the Citadel passing by way of the Muqattam Hills which run parallel to Salah Salim Road to the region of al-Abjiyah and al-Tunisi, a distance of 5.5 kilometers. This section crosses the railroad tracks and the al-Abjiyah cemetery and involves the construction of four bridges. Two of these are at the Citadel and the Muqattam Hills and these are the ones that will be opened during the October holidays. The other two in al-Abjiyah and al-Tunisi will be completed in December 1985 and will represent the final completion of work on the highway.

The first bridge is the Citadel bridge, 920 meters long and 25 meters wide. It starts from the end of the Nasr City Road passing by the Muqattam Hills, which run parallel to the Salah Salim Road. This bridge can be used for vehicles coming from Nasr City toward the central part of Muqattam City and on to Ma'adi, with a capacity of up to 70 tons. This bridge cost 8.5 million pounds. The second bridge is the Muqattam bridge, an alternative to the present Muqattam Road, which will be cut by the highway. It is 280 meters long and cost approximately 750,000 pounds. Work on these two bridges will be completed within days. For the other two bridges, the al-Abjiyah and the al-Tunisi, soil tests are being conducted, land with old buildings and cemeteries is being expropriated and obstacles to their completion are being removed. In addition, the railroad track was redirected. Obstacles to the operation include the Qayt-be School (which was torn down), the problem of a public health drainage project (which was overcome), telephone lines, the al-Abjiyah cemetery, the rocky area at the Muqattam Hills, housing for railroad workers and the Communications School, which required the construction of new housing. Although these obstacles occupied a great deal of time, it was found that this was the best route for the highway because constructing another route above Salah Salim Street would obscure the beautiful view of the historic Citadel of Salah al-Din. It is also not possible to cross the Muqattam Hills because it is a rocky area. The accountant Samir 'Allam points out that

because of these obstacles, the completion of the other two bridges has been delayed until the end of December 1985.

--Sections Three and Four. Engineer Samir al-Alfi, the consultant for bridges and roads at the Greater Cairo Construction Agency says that the third section is 21 kilometers long and goes from south of Ma'adi to south of Hulwan. The fourth section is 13 kilometers long and starts from south of Hulwan and goes to the port of Eastern Shubak. The total length of the two sections is 35 kilometers, of which 28 kilometers have been paved, representing the sections free of obstacles.

These two sections will be completed in June of 1985. The third section of the highway includes 12 construction projects involving drainage pipes and culverts as well as bridges and tunnels. Up until now, five culverts and a bridge south of Ma'adi have been finished and four bridges are now under construction that will be completed before June 1985, at which time another bridge and a tunnel will also be complete.

Thus far, the third section has involved 1.22 million cubic meters of crushed rock and 4.5 million cubic meters of landfill.

It can be said that the road construction for the highway is 80 percent complete and the engineering projects, including bridges and tunnels are 70 percent complete. In December 1985, work on the 51-kilometer highway will be complete and it will considerably reduce the traffic problems in Greater Cairo. They say that if it is easy to get from the highway to Salah Salim Road at Nasr City, a project is now under study to connect the highway to Salah Salim at three points at the Citadel area and at Bab al-Wazir. With the final completion of the highway, Cairo will see a new road that will give its traffic a new feeling. But we all have to wait.

12727

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# MULTINATIONAL COMPANIES' ROLE IN DEVELOPMENT CRITICIZED

London AL-DUSTUR in Arabic No 342, 1 Oct 84 pp 27-28

[Article reprinted from AL-HADAF AL-NATIQAHA on behalf of the Arab Socialist Ba'th Party--Sudan Region: "The Political Role of the Oil Companies"]

[Text] Last January the Chevron (Sudan) Corporation announced it was ceding about 25 percent of its investments in the petroleum areas of Sudan to the Shell (Sudan) Corporation, without preliminaries or explanations as to the real reasons lying behind a decision like this. It is known that Chevron's operations cover an area amounting to 20 percent of all Sudan and it is supposed to begin its production of oil next year after the construction of an export terminal at Port Sudan and a pipeline running from the wells to the terminal. Then why has the company sought the participation of Shell after all these efforts? The real reason lies in Chevron's fears about the danger to its investments, which amount to hundreds of thousands of dollars, as a result of the aggravation of the regime's crisis and the increase in the actions of armed violence in the southern region. It may also lie in the battles between the multinational companies (American and French), etc.

Last February the company also announced it was halting its activities in the areas of drilling and pipeline laying due to the government's failure to protect the sites from insurgent attacks.

At the beginning of March, Nimeiri announced that the company will resume its operations in a week and expressed his hope that activity will resume on the other projects, especially the Jonglei [canal]. What is important here is the question of the political role that the petroleum companies in Sudan will play during the coming period--their role in the south and in the power center in Khartoum as it suits their interests, naturally, and the interests of their governments.

At the beginning of April, Chevron announced that it would not resume its operations in its concession zones in the south as long as adequate conditions for the security of its employees could not be guaranteed. In addition, it intended to continue only in its concession areas in the Northern Region, Kordofan, the Red Sea, and Dhafur.



It is known that the company stopped its activities in the Sudan, including the oil pipeline, after the increase in armed insurgency operations in Bahr al-Ghazal and the Upper Nile that led to the kidnapping and murder of some of its employees and some employees of the French company working on the Jonglei canal. The oil fields of the southern regions are the ones that are supposed to begin production in the coming year and start sending the oil by pipeline to the terminal at Port Sudan. That is the event that the information media have been caught up with for a long time and which the regime has been betting on to solve the continuing political and economic crisis. That, as we have said before, is sheer delusion because Sudan is destined to receive expected returns on its production of no more than \$185 million annually, if oil prices are maintained at their current levels (\$29 per barrel) and if the pipeline is utilized at full capacity (50,000 barrels per day). This is a meager profit, averaging a sixth of the volume of the country's exports and not at all matching the volume of investment, concessions, and government attention that the Chevron Corporation and other drilling companies have received. It would be possible to obtain a doubling of this amount if these investments and licenses and that attention were directed toward the agricultural sector, providing spare parts and energy needs, the necessary repairs, and things related to production, etc. This is in addition to the government's submission to the companies' conditions, like giving up the Kosti refinery and not refining the crude oil produced inside the country. This submission denied the people of Sudan the benefit of its national wealth, of which it is in the most dire need. It also denied the areas of production extensive opportunities for economic and social development and changing their manner of living and their traditional economic activities. Consequently, in addition to the other reasons, this aggravates the problem in the south and the renewed outbreak, threatening the unity of the land and the political independence of the nation. We say that to stress two important truths:

First: The land of Sudan is rich in agricultural, mineral, petroleum and other resources potential. However, this wealth must be exploited to suit the interests of the people of the nation and their economic and social advancement, and not to suit the pockets of the ruling class and the multinational companies.

Second: Chevron has now begun to reveal its true face as a tool of American imperialism to exert pressure and intervene in the direction of the country's policies and the course of its developments. The question is, does its most recent position reflect American intervention and pressure on the recalcitrant regime to conduct a dialogue and reconciliation with some of the southern and northern opposition factions with the aim of saving it and prolonging its life for a while more, similar to the 1977 settlement with Sadiq al-Mahdi and the Muslim Brotherhood? That is what the coming days will reveal.

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# ACHIEVEMENTS OF DOMESTIC ECONOMY, FISCAL CONTROL REVIEWED

Baghdad AL-JUMHURIYAH in Arabic 13 Sep 84 p 5

[Interview with Minister of Finance Hisham Hasan Tawfiq by Zuhrah Muhammad: "Splendid Perseverance by the Iraqi Economy"; date and place not specified]

[Text] AL-JUMHURIYAH is continuing its series of meetings with persons in charge of the major economic sectors in order to learn about the bright signs reflected by the course of the Iraqi economy during the years of the war and to learn how our economy has managed to persevere in the face of the blockade and embargo attempts and the circumstances of the aggressive war imposed on our country, transcend them, and continue to grow and advance. In this conversation which we are carrying out with Mr Hisham Hasan Tawfiq, the minister of finance, we pause to reflect the successes the financial and banking sector has realized, the way in which performance in this sector has been modified to serve the course of our resurgent economy and strengthen its base, and this sector's role in supporting the process of development and socialist transformation in the country. Herewith is the text of the interview:

## Implanting the Iraqi Economic Structure

AL-JUMHURIYAH: What in your opinion are the basic elements which have played a part in strengthening the course of the Iraqi economy and strengthening its structure, in spite of the circumstances of the aggressive war the vindictive racist Iranian regime is waging against Iraq and the attempts at blockade which the treasonous regime in Damascus has attempted to impose on our domestic economy, with the goal of weakening it?

The minister: Among the basic goals which the Iranian regime and its ally the treasonous regime in Damascus have relied upon is weakening the Iraqi economy, blockading it and stopping the broad development process taking place in the country. However, the farsightedness of the leadership of the party and the revolution, headed by the fighting president and commander, Saddam Husayn, may God preserve him, his wisdom, the high degree of cooperation and coordination among the various economic sectors and the spirit of collective action which became apparent among the workers in these sectors

have all had a great effect on the continued firmness of the Iraqi economy and the solidity of its base, although 4 years of war have elapsed. This in itself is to be considered a great achievement.

It is no secret to anyone that the broad, strong, firm base of the structure of the economy which the glorious 17-30 July revolution has managed to consolidate, in the context of the financial, industrial, agriculture and integrated service sectors, has had an effective role in establishing a strong state for the Iraqi economy and enabling it to face the exceptional circumstances our beloved country has gone through as a result of the the racist Iranian regime's aggressive war. This firm economic base will remain and be strengthened with the passage of time, through the interaction of new Iraqi man and its wise leadership, in order to provide the country with all the attributes of strength and perseverance in the face of the enemies of Iraq and the Arab nation.

#### The Development of Performance Competence in the Financial Sector

AL-JUMHURIYAH: How has the financial sector managed to adapt its intrinsic functions and achieve balance in its course of activity, in spite of the exceptional circumstances the country has gone through? How has it been able to undertake its missions of supporting the progress of the Iraqi economy?

The minister: The attainment of balance between available resources and the exceptional spending the circumstances of the war have made mandatory so that the requirements of victory may be strengthened and the heroic armed forces enabled to perform their sacred duty at high competence without prejudice to the requirements of continuing the necessary public services for the people, so that they may live with comfort, confidence and self-assurance during the war, has been the cornerstone of the financial policy and plans which were approved to develop the financial sector during the war period. These plans have concentrated on realistic approaches with regard to expanding the base of financing and increasing the revenues of the general treasury, by making use of the strong, developed base of the new structure of the Iraqi economy, whose firm edifice was constructed by the glorious 17-30 July revolution. The development of the banking sector and the distinguished status it has enjoyed on the domestic and international levels has had an influential role in this area.

On the other hand, the policy of guiding spending and defining priorities, while guaranteeing adherence to our international financial commitments, has had an effective role in realizing fiscal balance and preserving the high reputation the Iraqi economy has enjoyed in the international context. I can say most proudly that the continued functioning of this plan, the constant, permanent followup of variables, and the ability to conceive of matters in the future have enabled us to realize the highest degree of confidence, although the war has gone on for this long period.

I am confident that the interaction among the government agencies and between them and the various segments of the people, the confidence which the financial administration has received from everyone, the valuable directives of the leadership of the party and the revolution, headed by the president

and commander, Saddam Husayn, and constant attention to strengthen Iraq's financial status have enabled us, and will enable us in the future, to go beyond this stage, however long the war might last, and to emerge from it. We are most strong, most comprehensively expert and most able to realize the aspirations of the leadership of the party and the revolution. These are the aspirations of our great Iraqi people, in order to continue the construction and realize greater progress, welfare, development and cultural resurgence for our people and our nation.

The development of performance is a continuous, dynamic process. It does not stop at specific limits. Therefore, the Ministry of Finance has given the utmost attention to development of performance competence, in the case of our agencies and the financial agencies in the ministries, government departments and installations of the socialist sector, since our movement in this area has taken place in different directions and through different means, with the aim of developing competence in performance and developing the possibility of performing the tasks which lie on the shoulders of the financial and banking sector.

Many financial sectors have experienced important, basic developments. Among these is the banking sector. The leadership agencies in the Ministry of Finance, in cooperation with the leadership agencies of the al-Rafidayn Bank, have taken charge of studying the requirements of performance in the banking system, following the great expansion which has occurred in banking activity in Iraq and the increase in the number of al-Rafidayn Bank branches and the rise in its assets.

As regards the insurance sector, which is considered one of the most progressive sectors in the context of the Arab nation, that has enjoyed particular support and has performed noteworthy initiatives in its area of specialization, including the establishment of the Arab War Risks Insurance Fund, which was established under Iraqi initiative and has achieved distinguished results. The Iraqi insurance sector also was the first in the Arab area to engage in the insurance of agricultural activity, "agricultural insurance," and the insurance sector has noteworthy, advanced programs concerned with the training of its personnel in the financial and accounting training center belonging to the ministry.

As regards the tax sector, organizational measures have been taken with regard to the tax system, developing tax administration and increasing the competence of work in this sector in a manner which will provide the government with good fiscal revenues.

The customs sector, which represents one of the main activities financing the public treasury, has also received special attention with respect to the organization of its activities and the adoption of numerous measures which constitute part of the development of the performance in this sector, including the issuance of a new customs law, whose stipulations have been prepared in accordance with the most up-to-date customs statutes in the Arab and international context. In accordance with this law, the General Customs Authority has been created, to assume, in addition to its customs responsibilities, those of collecting production levies in addition to tariffs.

Meanwhile, work has begun on the preparation of a special working paper to regulate customs administration; this paper, after it is completed, will be subjected to discussion with the goal of providing the requirements of developing customs work and also studying the requirements of computer use in the area of customs activity. The training of personnel active in the customs department, including people working in customs clearance from the private and mixed sectors, has been intensified through the financial and accounting training center belonging to our ministry.

Regarding the retirement sector, this has realized very substantial progress. Whereas it had been famous for delaying work performance and for complicated red tape, it is now in a condition which is founded on a modern, very organized method of work, which is characterized by accuracy and speed. Retirement transactions now can be carried out in a single day, if they are submitted at the start of business hours and all the papers and necessary transactions have been completed. Retirement pensions are all tabulated on computer, and the pensions are distributed by the branches of al-Rafidayn Bank in all areas of the country. The bank is now opening current accounts of savings accounts for retired people by means of which the direct deposit of their retirement pensions in their accounts in the bank will be guaranteed and they will not have to appear, since it is now in their ability to make use of the system of check cards the al-Rafidayn Bank has approved in order to meet their cash needs without going to the bank in which they have made their deposits, or indeed without going to any branch of the bank, by using the checkbooks and check cards, which offer a guarantee for the amount to be withdrawn.

We have devoted special attention to general financial management and the accounting sector, in view of the direct influence they have in the execution of the budget and the provision of requirements for following up on its execution, including the national development plan. To this end we have prepared coordinated plans by making use of the most modern scientific studies and developed scientific systems in this field, and a number of measures have been taken to develop performance competence in the area of general financial management and the accounting sector, including the application of the decentralized system in more than 90 percent of the accounting units executing the national development plan, as well as expansion in the development of the first stage of the decentralized system in more than 120 accounting units in the government and the units executing the current "ordinary" budget, expansion in application of the new salary system, the use of computers in this field, and the startup of a stage-by-stage computer application in activities of organizing and consolidating government accounts. This is in addition to the intensification of the training programs concerning accounting and treasury department employees and the other people working in the financial sector in all government agencies. Other new organizational steps will be taken in the future to develop this sector.

All these measures have helped develop performance competence in the financial and banking sector organizations, and have enabled them to perform their tasks in strengthening the course of our domestic economy in the circumstances of war.

## Programmed Training of Financial Personnel

AL-JUMHURIYAH: The human element constitutes the basis of any development process occurring in any sector, and training the human element and raising its performance level constitutes a basis for the development process. What measures have you adopted to train financial personnel working in financial and banking sector organizations?

The minister: The method of absorbing performance, that is, on the job training, is the predominant feature of the training of personnel working in the financial area, in the Ministry of Finance agencies or the financial departments in government and socialist sector agencies. However, this method is no longer in keeping with the great expansion which has occurred in the government agencies and the tremendous diversification in the nature of their activities. Therefore, the financial and accounting training center has been established in the Ministry of Finance to take charge of training the personnel working in the financial sector on the basis of organized programs at various levels, according to the trainees' level and the employment positions they occupy. Among the most important of these programs are:

The scientific and practical training of newly-trained personnel to work in the computing and financial administration sector in government and socialist sector agencies.

The training of intermediate and advanced personnel in accordance with special programs which will enable them to perform the work and the duties assigned to them.

Special programs for insurance branch activity training for personnel working in the insurance sector.

Special programs to train customs personnel and people working in the customs release area in government and private and mixed sector agencies.

Special programs to train personnel working in the General Tax Authority.

The training of people working in government and bank sectors in insurance activities, where that has a relationship to their areas of specialization.

Special programs for explaining new financial laws and instructions to people working in government and socialist sector agencies.

The ministry is trying to create higher tax system studies.

## The Banking Sector and Reinforcement of the Iraqi Economy

AL-JUMHURIYAH: The banking sector has an important role in the functioning of our domestic economy. What developments has the sector witnessed in the war years, and how has it managed to occupy its place and perform its desired role?

The minister: As we said in a previous answer, great expansion has occurred in banking activity in Iraq in recent years, since the number of al-Rafidayn Bank branches has expanded to more than 250. Its assets have also risen, and it now occupies first place among the commercial banks in all Arab countries and 75th place among the banks in the world in terms of deposits. In light of the expansion of Iraq's foreign and domestic trade and the great increase in Iraq's international transactions, the need for a review of the bank's methods of operating, their development and the upgrading of the performance level of the people working in it is pressing.

In order to realize this goal, a working paper has been prepared on developing the al-Rafidayn Bank which has been discussed a number of times with the advanced personnel working in the bank, then discussed on other occasions at an expanded symposium attended by the first deputy prime minister. After its approval, we started to carry it out in accordance with the stages which were agreed upon, beginning last 1 December.

In order to meet the requirements for training competent personnel to work in the banking sector, we have prepared specialized training programs at various levels; these are being carried out by the center for financial and accounting training established in the Ministry of Finance, in cooperation with advanced personnel in the bank and capable scientific personnel in the universities and other government agencies. This will have its practical effects, which the citizens will sense in the near future.

For the purpose of developing activity in the bank, a computer has been provided for it and measures have been adopted which will guarantee that special programs are prepared for its use and that the aid of specialized experts from outside who will work with the technical personnel in the bank is sought. In the near future the bank will witness the beginning of the use of a number of operating systems on the computer, as part of a programmed plan which will guarantee that all the bank's activities are covered.

#### Developing Tax Administration

AL-JUMHURIYAH: Taxes constitute one of the important financial sources of the general government treasury, and tax administration and the methods used in it play a role in this area. What have you done to develop the tax system and tax administration?

The minister: Organizational measures in the area of the development of the tax system and tax administration have assumed three main approaches:

First, the creation of the General Tax Authority, within which all tax departments will be included; that will be totally responsible for applying the provisions of the tax laws. This measure has been accompanied by other organizational steps, including the reorganization of the agencies which have been included in the General Tax Authority in a manner which will lead to integration in work and will facilitate the relationship between the tax administration and taxpayers.



Second, the review of the operating system in the authority; a special working paper has been prepared for this which was studied in an expanded manner in the presence of the first deputy prime minister. The recommendations which were arrived at have been approved as a basis in this area, and special committees have been formed to follow up on execution. These committees are still operating continuously.

Third, the concentration of training programs for people working in tax administration by means of the center for financial and accounting training, to raise the level of the personnel working in tax administration and benefit from advanced personnel in the ministry and the tax administration itself. Officials in the ministry have contributed work to the tax department, in accordance with the president and commander's directives on having the highest officials assume lower positions in order to realize noteworthy, positive results in the area of reorganizing tax administration and eliminating numerous negative features which have been a feature of tax activity.

A review has been made of tax laws and instructions on realistic bases, taking into account the progress Iraq has realized in the economic area. I can say that the codification of the new Income Tax Law 113 for 1982 was a very advanced step in this area and that no government in a state of war had previously ventured on such a measure. The method normally followed in countries in such circumstances is to increase the tax burdens on citizens, while the law was formulated in a progressive manner, to a large degree reducing the tax burden on citizens in accordance with a scientific, realistic approach.

Among the most prominent developments work in the tax area has witnessed is the use of computers to organize tax activity. A technical committee has been formed for this including accounting experts and officials in tax administration, and it is working earnestly to realize the programming of activity in this sector in a manner which will make it possible to use computers in this area.

Finally, I would like to say that the financial and banking sector has managed to perform its missions in circumstances of war, play its role of strengthening the course of the domestic economy in full and have its role in strengthening the perseverance of our country in the face of the vicious hostile brutality of the ruling fraudulent devious regime in Iran, deriving inspiration from the directives of our unique leader, the fighting president Saddam Husayn, and the principles of our great revolution and our leading party, the Arab Socialist Ba'th Party, in every step we take along the road of our activity.

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## WAR-STRICKEN GOVERNORATE'S PERSEVERANCE, PROGRESS DESCRIBED

Baghdad AL-JUMHURIYAH in Arabic 12 Sep 84 p 4

[Article by Sa'di Furayh: "The Governorate of Perseverance and Confrontation: The Governorate of Diyala: The Governor: The War Has Not Diverted Us from the Ambitious Development Programs"]

[Text] They dreamed of stopping the course of construction and silencing the industrial and agricultural machine which is developing the resurgence of the firm revolutionary base in our upsurging Iraq. They dreamed that they would see the lofty Iraqis turned into skinny posts, unemployed, not strong enough to produce, hungry and thirsty. However, their dreams were thwarted and torn apart, in the face of the heroic Iraqi perseverance and the spirit of heroism which has dawned among our lofty people.

They have wept, and they will continue to weep over the bitterness of their defeat. The more they witness the inauguration of a project or a factory, the emergence of the frame of a building, the paving of a street, the farming of a field or the harvesting of a crop, the greater vindictiveness they will feel. As long as the din of the machinery of Iraqi construction and progress continue to rise and rise on high, to extend the front of perseverance and heroism with a new determination, greater powers and the causes for decisive victory over the enemies of Iraq who are resentful over its giant revolution, its leading party and its great leader, Saddam Husayn, Iraq will remain triumphant and will continue to progress along the road to resurgence.

#### The Takeoff and the Beginning

Forgive me if I have gone on at length, but this must be said when we find ourselves touring about the one of the governorates of our perseverant country, especially the governorates which stand in the line of confrontation with the enemy, and every activity in them makes us feel the value of our perseverance, the heroism of our people and the grandeur of our victory.

In the Governorate of Diyala, pride grew and honor welled up because it is the governorate from which the hosts of immortal liberation set forth to drive the enemy's cannon and the fire of his criminal military machine away



from our safe, happy homes, our productive factories and our other civilian installations and to liberate the usurped land.

The hosts of liberation set forth from the Governorate of Diyala, and from this governorate we will try to describe the state of development and giant resurgence, notwithstanding the circumstances of the vicious war which the enemy launched in order to destroy this resurgence.

This governorate fought, indeed began to respond to the enemy from its first moment. It persevered and triumphed so that the revolutionary cavalcade would continue to grow and become strong, thereby realizing continued self-sacrifice and construction. We will not expatiate -- rather, we will leave it to Mr Husayn 'Ali 'Abbud al-Harithi, the governor of Diyala, to continue this picture, speaking about the achievements, sacrifices and process of construction in this delicate period in the history of the nation, because it is the only time in our modern history which is recording a real, decisive victory by the Arab over the foreigner.

#### The Awakening of the Area and the Population

The governor of Diyala began his conversation with a detailed reference to the beginning of the aggression, the enemy's attempt to smash the walls of our iron borders with his artillery, this governorate's perseverance and the honor it was given in having the hosts of glory and victory from the army of the Arab nation take off to answer the aggression. He continued his discussion by referring to the picture of the resurgence which the governorate witnessed in the time of war.

He said, "The state of war has not deterred us, and will not deter us, from carrying out the programs of our resurgence and forward progress, which is what the enemy wished through his vicious attack on our revolutionary country.

"This governorate contains a number of districts and its total area comes to 10,947 square kilometers. I mention this in order to say that our plans want every grain of soil in these square kilometers to rise up and to carry out the plans in terms of building, resurgence, the movement of industry and agriculture and development, so that this population figure will be many times its level in terms of self-sacrifice and production.

"The governorate, during the war of Saddam's glorious Qadisiyah, has witnessed extensive, distinctive activity in all facilities of life, since the costs of water and sewer projects alone for example have come to more than 149,945,911 dinars, in order to bring water and sewer projects to the village and rural areas and the most remote little hamlets in our governorate. We are still striving to realize the aspirations which the people and their leader wish for through giant projects, since water has been brought to all the villages in Sadd Hamrin and the villages of al-Masharin, Abu Sayda and al-Rabi' in Bani Sa'd, 7 April and other villages, in addition to the construction of other water and sewer projects and the construction of elevated water tanks in numerous towns and villages in the governorate.

"As regards the local administration projects, the total costs of carrying these out have come to more than 10 million dinars; this was the figure at the end of last year, not to speak of the sums which have been spent up to this day in order to realize high construction rates in the local administration projects.

"With respect to housing and construction projects, more than 50,000 plots of land for housing have been distributed to citizens in the governorate, and the distribution to large numbers in addition to the number mentioned is still continuing in all areas of the governorate. There is a directive from the triumphant commander, President Saddam Husayn, may God preserve him, on the construction of modern houses. The first stage of these has been completed in the governorate in the form of a housing complex totalling more than 1,000 residences in the first stage, and the building department in the governorate aspires to carry out projects costing a total of 2,783,000 dinars, most of which have been spent, to build intermediate, primary and preparatory schools in the governorate as a whole. Meanwhile, the governorate municipalities have carried out other projects at a cost of 16,757,000 dinars to pave streets in Khanaqin, the villages and hamlets belonging to it, Mandali, Balad Ruz, Jalula' and Kifri, and in the construction of residential buildings and the expansion of garages, medical clinics, health centers and schools."

#### Giant Industrial Projects

Concerning the industrial progress in the governorate during the years of the war, Mr Husayn 'Ali 'Abbud, the governor of Diyala, said:

"The Governorate of Diyala has had its share of industrial progress. The electrical meter factory has been expanded to respond to the country's needs in a manner which is in keeping with the growth of housing and development activity, the electric iron plant has been developed in a manner guaranteeing the production of irons with good specifications and quality whose quality is now being attested to and a new project is being built to produce spark plugs in view of the inadequacy of the previous production; production in it was started up some time ago. These projects were all carried out during the period of the war, up to the end of 1983.

"The project to produce electrical transformers is another giant one which was established to meet the country's need for transformers, and it is hoped that its production will be exported to other countries in the Arab nation. It is operating competently and at high capacity, since a start was made on production in it on 1 February 1983.

"There also is a project to develop ceiling fans, since need for developing local ceiling fans has become apparent. A start was made on constructing a project which would add a new state of progress to our domestic industry from the standpoint of quality, quantity, the volume of production and the provision of a good annual profit."

The governor went on to say, "The industrial projects which have been carried out in the governorate are numerous. Among them are a large industrial

complex, the project for the central shop for manufacturing frames, which had been imported from abroad at great cost, saving us hard currency which used to go abroad, and in addition the central maintenance workshop project, a shop to maintain and keep up production vehicles in the industrial complex. It is worth mentioning that the rates of production increase rose from 73 percent in 1980 to 100 percent and more at present. We should also refer to the construction of a number of bakeries and ovens to provide citizens with bread and (samun), since more than 11 mechanical ovens for (samun) and bakeries for bread have been built.

#### Electricity Projects

"After the expansion which has occurred in the construction of massive industrial projects in the governorate, the electricity departments have been separated from the governorate's municipalities and attached to the Ministry of Industry and Mines in order to realize the aspirations of the party and the revolution to bring electricity to the remotest village and hamlet and in order to enable them to carry out their tasks in an integrated manner. In reality, most of the aspirations of the party and the revolution have been achieved, in spite of the circumstances of the war imposed upon us, since more than 15 secondary transformer stations have been expanded and three diesel plants and six stations with various capacities have been built.

"The generating and electric transformer plants have been distributed among the Bani Sa'd, Abu Sayda, al-Miqdadiyah, Jalula', Kifri, al-Ghalibiyah, Khanagin, Qarah Tappah, Nahrawan, Mandali, Kan'an and Maydan areas.

"In addition to that, lines have been built to transmit electric power to industrial projects, homes, housing, commercial and agricultural utilities and so forth over very long distances and remote areas. They have reached the most distant border points, and electricity has been provided and brought to houses in the villages of Shaykh Lankar, Abu 'Akukah, al-Shujayri, al-Qaryah, al-'Awwar, al-Jabir, 'Abd Farhan, Nahr al-Shaykh, 'Aythah, Armal, al-Zuhur and other villages which there is no room to mention in their entirety as they are many times more numerous than the villages I have mentioned."

#### Plants, Greenery and Beauty

Diyala is the governorate of perseverance, resurgence and victory. It is the governorate of oranges and agriculture, and agricultural progress has become greater and more majestic, because self-sacrifice becomes more splendid in times of war and heroism. Mr Husayn 'Ali 'Abbud, the governor of Diyala Governorate, also spoke about that, saying, "Diyala is the governorate of greenery and beauty. Fields and orchards surround it from all sides. Our agricultural projects were ongoing and increasing, because we do not forget the main goal of our great revolution, to create a multifaceted economy, not a one-sided one which just relies on oil. We have also raised the slogan 'Agriculture is oil that is permanent.' We are continuing to carry out agricultural projects, especially since the self-sacrifice of the honorable Iraqis is increasing in a manner which has provoked the vindictiveness of the vindictive in the time of war. The production of oranges is increasing and

getting to the battlefronts in numbers which are greater than our fighting men's needs, as well as covering the citizens' needs.

"In this governorate, where there is fertile land, modern irrigation and dam projects have been constructed and most of the arable land has been farmed. For example, in al-Khalis, more than 135,432 donums out of half a million arable donums there have been farmed with various crops which the country needs, and activities are underway to survey the soil, organize tree and new crop planting campaigns and complete the engineering work on the reclaimed land. For example, the irrigated lands that are part of the irrigation and drainage systems in this region now come to about half a million donums, the same as the area of arable land there. Therefore, production in this area has been abundant and includes various types of vegetable, fruit, grain and other agricultural products. The same is the case relative to the other areas in the governorate which are famous for agriculture.

"The development which has taken place in the cultivation of summer and winter crops and horticulture in the years of the war is to be considered a quantum leap in this area. A simple glance at the stipulations in the agricultural plan for 1983 and that part of it which has been carried out for the country, as an example, where it was stipulated that 11,424 donums would be farmed and 10,572 donums of that were carried out, will give you a picture of the magnitude of the leap in this area.

"The Iraqis have sacrificed themselves and exerted themselves in all areas, in order to win their holy war against the aggression, and the escalating construction and lofty pride are continuing in Saddam Husayn's Iraq."

#### Unlimited Solidarity and Self-Sacrifice

There have been great accomplishments and giant projects, including the Saddam Sports City. Let us hear something about them from the governor, in the course of his conversation about the resurgence of the Governorate of Diyala in the years of the just war against the vindictive enemy. He said,

"A discussion of the idea of establishing the Saddam Sports City must involve a discussion of the notion of establishing the great Saddam camp in the governorate in place of the Ba'qubah scouting camp. During the planning for this camp, the notion of expanding it and establishing a distinctive sports city in the whole area and the same place set aside for the camp was presented.

"People's opinions on this activity concurred, and the command of the party and the revolution gave agreement to the establishment of this sports city, which the governorate, by the vote of its people, decided to name Saddam Sports City.

"The effort was made to have the people of the governorate contribute the sums needed to build this giant project. It was decided that it would be built by the popular action method, through the efforts of the heroes of the Second Corps.

"The Second Corps put all its resources into this activity, and I believe that it will be completed in the period stipulated, since it is being constructed over an area of 300 donums and includes detached residential, administration and bath buildings, a summer stage, multipurpose enclosed and open sports arenas, an open sports field, training arenas for boxing and wrestling, a bicycle track, olympic swimming pools and other sports facilities. Thus it will be one of the distinctive sports cities in the whole Middle East.

"This splendid solidarity in thinking and action among all the people, since the army is building as it is fighting, is categoric proof that decisive victory is ours, with God's help and the wisdom of the commander, may God preserve him."

#### Many Achievements

Concerning the other achievements, the governor said "As a result of the pressure that has built up in the services in the governorate, we have thought of the need of creating a new formula for industrial projects related to the private sector and preventing the pollution they cause as a result of their activity. They are also spread about over the various areas of the governorate. Therefore, we have set aside a region with an extensive area which we have called the industrial area, 2 kilometers away from the capital of the governorate, in which all these private projects will be combined. For these it has set aside plots ranging in area from 200 to 2,000 square kilometers per project, according to the volume of output and the size of activity. Services in the form of water, electricity, telephones and paved roads have been brought to this complex, and the municipalities have supplied them with model construction diagrams for each craft and activity.

"In addition, many roads have been built and paved, since the lengths of the roads paved during the years of the war come to 999 kilometers. The total amount spent on the construction of bridges has come to 28,909,413 dinars.

"This is in addition to the construction of buildings for government departments, to which the departments will move, having used rented buildings which cost large sums."

The governor of Diyala said "Among the many projects we have managed to carry out are the health centers, hospitals, kindergartens, and schools, attention to culture, the conveyance of telephone lines to the most remote areas so that they can be at the service of citizens, the construction of houses and buildings for employees and the improvement of transportation and communications routes in the governorate and between it and the other governorates. There are the future plan and the proposed projects, which are numerous and ambitious and will give a clear picture of the splendid nature of performance and the grandeur of the Iraqi victory and perseverance which have thwarted the enemy's plans and goals of stopping Iraqi development, which is depriving them of sleep and is increasing in the context of the historic unique leadership of the great hero, the commander Saddam Husayn, may God preserve him."

Finally, the governor said:

"We have chosen the day of the liberation of the territory, 7 September 1980, as a day for the governorate, to be celebrated every year and be a holiday of victory and heroism."

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## AMBASSADOR TO BRITAIN DISCUSSES GULF WAR SITUATION

London AL-DUSTUR in Arabic No 341, 24 Sep '84 pp 16-19

[Interview with Wahbi al-Qurrah Ghuli, ambassador to United Kingdom, by Jamal Isma'il: "Destruction of Kharj and All Iranian Oil Terminals Is Not Unlikely; Iraq Possesses Enough Weapons Now to Stop Iranian Oil Export Operations Completely"; date and place not specified]

[Text] The discussion about the Iranian aggression against Iraq has been a long one. Four years of fighting and of battles to repel this aggression have been enough to provide the entire world with a clear picture of the "intentions" and "ambitions" which Tehran's rulers carry in their minds toward the Arab area and toward Iraq in particular.

At the outset of the interview, the Iraqi ambassador in London noted that since Khomeyni's assumption of power, Iraq has tried to establish good-neighbor relations of mutual respect and non-intervention in the affairs of others. Within this framework, Iraq took numerous initiatives since the early weeks of the new Iranian regime. But all these cordial initiatives were countered by Iran with aggressive acts and statements.

Dr Wahbi al-Qurrah Chuli noted that this Iranian policy of aggression continued for many months and that during this period, the Iranian regime mobilized a number of its supporters inside and outside Iran to create confusion and to provoke hateful sectarian rancors, to carry out acts of sabotage in Iraq and to create the climate for large-scale Iranian aggression against Iraq.

The Iraqi ambassador added that the Iranian regime was not content with all these provocations and acts of aggression but went beyond them, employing its information media in a concerted manner to provoke the Iraqi people and to try to turn them against the political leadership and the government in Baghdad by all means and pretexts. When this large-scale and concerted agitation campaign failed, the Iranian regime moved military units to the border and adjacent to Iraq and started to shell the Iraqi border towns and villages. The Iranian Air Force carried out tens of sorties in the Iraqi airspace and some towns were subjected to bombing from the air.

The Iraqi political leadership maintained its self-restraint for a time and presented numerous diplomatic memoranda to the Iranian government. But there was no response.



Iraq did not get any diplomatic or official response pledging that Iran would put an end to these aggressions. Under the pressure of these aggressions and of this flagrant intervention in its internal affairs, Iraq was ultimately compelled to instruct its armed forces to protect the Iraqi homeland. This did not come about until Iran launched a large-scale and concerted attack on 4 September 1980, the day on which the Iraqi political leadership made the decision to use the Iraqi armed forces to repel the aggression and to defend Iraq's soil and people.

This is how the actual war broke out on 4 September 1980 as a result of the circumstances we have just mentioned.

[Question] What, in your opinion, are the factors that have enabled Iraq to stand fast throughout these war years?

[Answer] Iraq's steadfastness for 4 years and in the manner that is well known to all is due primarily to the fact that all factions of the Iraqi people have stood behind their political leadership because the Iraqi people realize that they have been subjected to aggression and that they have to confront this aggression. This is why the Iraqi people have displayed this magnificent steadfastness throughout the past 4 years.

Iran's area is three times Iraq's area, and Iran's population is three times Iraq's population and Iran's material and oil resources exceed by far Iraq's current resources. Moreover, the countries that have sold weapons to Iran are more numerous than those that have sold weapons to Iraq. But despite all this, the Iraqi people, with all their factions and all their elements, have taken a splendid stance and have demonstrated their readiness to sacrifice everything -- their sons, their money and their property -- to repel the Iranian aggression, especially since Iraq has exhausted every means and every argument to stop this aggression, to end the armed conflict and to resort to negotiations in order to find an honorable and fair solution that guarantees the rights of both sides.

The Iraqi army has been deployed on the international borders between Iraq and Iran for nearly 1 and  $\frac{1}{2}$  years. During this period, Iran has tried with all possible means to create a gap in this Iraqi defense line but has failed to do so. It has used all the weapons available to it and has employed the policy of human-wave attacks, amassing a vast number of people, including school-age children, to create a gap in the Iraqi lines and to penetrate through this gap into the Iraqi homeland. But all these efforts failed, ending with incredible Iranian losses: enormous losses in lives and heavy destruction and demolition of the Iranian economy. All this is countered by complete and comprehensive steadfastness and high morals on the Iraqi side, whether in the ranks of the armed forces fighting on the borders or among the people who form the rear support for these forces. The sacrifices have been very magnificent, though kept as small as possible. The Iraqi people with all their factions have expressed and continue to express their support for the political leadership's decisions and for their armed forces with all the means at their disposal. Despite



the lapse of 4 years, the Iraqi people continue to maintain the same stance they took in the first months of the war.

[Question] Since about the middle of the 4th year of the war, we have been hearing that Iran is about to launch a new "comprehensive" offensive. How do you interpret Iran's failure to launch this offensive?

[Answer] I have already told you that the Iraqi Army is now deployed on the international borders between Iraq and Iran. The Iraqi defense lines are organized and well-studied lines founded on scientific methods. Even though the terrain in most of the front's sectors is flat terrain, the Iraqi Army has been able to build solid strong defenses and to make high-standard military preparations. This is in addition to the Iraqi soldier's and fighter's high capability which is based on good training, the proper use of weapons and of the element of time and the right opportunity and on a very high morale. It is true that there is numerical superiority on the Iranian side. But combat nowadays is not based on the number of people but rather on the capability and efficiency of the fighter and on how this fighter uses the weapon in his possession. Iran tried its luck in previous times and attempted to penetrate the Iraqi lines with vast numbers that exceed by far the number of the defending Iraqi forces and with huge quantities of weapons. But the result was nil, with the Iranians losing tens of thousands killed, suffering a major defeat and incurring losses in equipment and weapons. The outcome was that the Iraqi line was not penetrated and remained steadfast. Iran realized the impossibility of penetrating this line and exhausted all seasons of the year with abortive attacks: the summer offensive, the winter offensive and the fall offensive. The new offensive about which Iran is talking will meet no better fate than that of the previous offensives. Such an offensive might mean the end of the Iranian regime because the Iranian peoples will realize that they have been driven to losing battles from the start. Therefore, this might be the offensive that will destroy the Iranian regime completely.

[Question] It is reported that Iranian President Khamene'i received during his recent visit to Damascus advice to the effect that the outcome of any offensive will be against Iran and that it is better to continue the war of attrition against Iraq. What is your comment on this "advice?"

[Answer] I, like others, have read Khamene'i's statements on his recent visit to Damascus and Tehran [sic] and about the Syrian advice to Iran's rulers not to launch an offensive for fear of definite losses and the Syrian advice to the effect that it is better to continue the war of attrition against Iraq. This is what has been confirmed by most reports and papers. As for the tripartite Tehran-Damascus-Tripoli alliance, a lot has already been said about this alliance, whether at the media level or at the official level in the summit meetings and in the Arab League Council. What has been said is enough. The "Arab" leaders of the alliance must be ashamed because what they have been confronted with at the Arab meetings is enough to make any Arab with a feeling for Arab nationalism feel ashamed. We can understand an Arab becoming allied with another Arab against the foreigner.

But we can find no explanation for an Arab becoming allied with a foreigner against another Arab. This contradicts not only the concept and logic of Arab nationalism but also contradicts even Syria's and Libya's commitments within the framework of the Arab League and of the Arab summits.

[Question] There are reports on Saudi efforts for convening a summit of frank discussion or reconciliation -- among Syria, Jordan and Iraq specifically -- prior to the next Arab summit. What is Baghdad's position toward such a frank discussion [musarahah] or reconciliation?

[Answer] Iraq has previously agreed to take part in numerous conferences with frank discussions because Iraq's position is clear and frank and because we have nothing to hide from our brothers. Our policy is clear and we express it to everybody without any fear. We believe that our position is sound and clear. We stand at the eastern gate of the Arab nation, defending this nation against a covetous aggression harboring evil and harm for it. We are happy with what we are doing because history will record for Iraq this honorable role in defending the Arab nation. As for the questions of Iraq's agreement to take part in conferences with frank discussions, we say explicitly that we are frank and prepared to tell everybody what we believe in. We do not fear attending any conference with anybody.

[Question] What do you expect of the next meeting of the Arab Gulf Cooperation Council states, especially in light of the messages exchanged by King Fahd and President Saddam Husayn?

[Answer] Iraq has always thanked its Arab brothers in the Gulf for their positions and assistance throughout the past 4 years. We appreciate this Arab spirit and character that are not strange to us. What the sisterly Arab countries of the Gulf have done in the past 4 years is the best evidence of what they will do in their coming meetings. Therefore, we are optimistic that the meetings of the gentlemen officials of the Arab Gulf countries will always be in the interest of Iraq and of the Arab nation.

[Question] What is the impact of the Iraqi blockade of Kharj Island on the course of the battles and what are the possibilities of developing this blockade and of the impact of such development on the continuation or non-continuation of the war?

[Answer] It is well known to all that Iraq agreed, even offered, to stop the fighting and negotiate in the first weeks of the war. It even announced a temporary cease-fire unilaterally to provide a chance to stop the fighting and to negotiate. The Iranian response was one of total rejection, arrogance and intransigence. Iraq has responded to all the peace initiatives taken by the friends of both sides and by whoever felt that there must be peace and that the two Muslim neighbors must live peacefully. There have been commendable efforts by the Islamic Conference, by the Commendable Efforts Committee, by the United Nations, by the nonaligned bloc and by some fraternal and friendly countries acceptable to both sides. Iraq's response has always

been: yes, we are prepared to stop the fighting and to negotiate. The Iranian answer has always been negative and to set debilitating and absolutely unreasonable and unacceptable conditions. These things are clear to all. Iran used the pretext and the argument that it was fighting and will continue to fight as long as there was a single Iraqi soldier on Iranian soil. The wise Iraqi leadership said: alright, let us withdraw all our forces from Iranian territories to drop this excuse. This was done nearly 2 years ago and the Iraqi forces are now standing on the international borders. So what is Iran's excuse for continuing the war other than furthering its expansionist ambitions, toppling the Iraqi regime, establishing a so-called Islamic republic similar to the regime in Iran and annexing Iraq to the "Persian empire" of which Iran's rulers dream? This is all that is left in Iran's bag as a reason for continuing the war and this armed conflict that has become meaningless.

In the face of this behavior and of this faulty thinking on the part of Iran, Iraq has no option but to defend and to stand fast. More than 1 and  $\frac{1}{2}$  years has passed with Iran continuing the so-called war of attrition which is not in the interest of either side. What primarily concerns us is the interest of the Iraqi side. Consequently, the Iraqi political leadership began to give thought to finding solutions other than defense and confrontation.

We have no ambitions on Iranian territories. We have legitimate rights that must be established with the Iranian side and some sort of acknowledged good relations must be established between two neighboring Muslim countries, with each respecting the other, guaranteeing its rights and refraining from interfering in its internal affairs. This is all we want from Iran. But Iran's continuation of this aggression and this attrition harms Iraq's economic interests, impedes its development plans and affects its general situation. It is true that we are standing fast and that we are prepared to sacrifice. But we must also think of means to end this war and to turn anew to building internally, to continuing the development projects, to exerting efforts to raise the Iraqi individual's standard of living and to utilizing the country's resources in the right direction and not just utilize all the country's resources for the purpose of defending against an armed Iranian aggression that is no longer justifiable.

One of these means that of cutting off Iran's financial revenues so that it would not be able to purchase weapons and use them in a war of attrition. The main source of Iran's revenues is its oil exports and these exports take place by way of the Iranian ports on the Gulf, especially from Kharj Island.

Iraq has been denied the exportation of its oil since the start of the war because of the destruction of its Gulf oil facilities at al-Faw and al-Basrah. Iraq does not export a single drop by way of the Gulf. So why should Iran export its oil? We must cut off Iran's financial resources so as to prevent it from purchasing weapons. Thanks to the capability and superiority of the air force and the effectiveness of the Iraqi naval units, Iraq has been able to blockade the northeastern part of the Arab Gulf and the Iranian ports located in this area. Iraq has resorted to blockading Kharj Island in

particular because it is the main terminal for Iran's oil exports. The Iraqi Air Force strikes have been truly effective and the air and naval forces have been able to destroy more than 36 tankers in the areas so far. A number of our aircraft have also been able to hit some of the piers of Kharj Island in particular.

Iraq now possesses enough weapons to stop completely the oil export activities on Kharj Island. But Iraq has a long-range view. Iraq does not want to destroy all the interests of the Iranian people because the Iranian people are neighbors of Iraq and we are confident that there are a large number of Iranian people who are still friends of Iraq and who are dissatisfied with the actions of Iran's rulers against Iraq. The current Iranian regime will not last and a rational and legitimate government will return to Iran -- a government that responds to reason and logic. But if the Iranian regime persists in its current course, its rejection and its unjustifiable continuation of the war of attrition or if it launches major new offensives, then it is not unlikely that the Iraqi political leadership will make the decision to destroy Kharj Island and all the Iranian oil pumping plants and exportation terminals on the Arab Gulf.

[Question] How do you view the internal conditions in Iran and the extent of the impact of these conditions on the future of the war? How can Iraq's position, especially toward the Iranian opposition, affect these internal conditions and, consequently, the war issue?

[Answer] The internal conditions in Iran have been suffering since the first year of the establishment of Khomeyni's regime. What has been written and published about what is taking place inside Iran is so abundant that these conditions have become known to all. In the past 2 years, these conditions have been characterized by the emergence of numerous moderate elements that call for putting an end to the war. But the last word still belongs to the radicals and to Khomeyni who, along with his group, believes that continuation of the war means the continuation of his regime. There is no explanation for the insistence of Khomeyni and his radical group to continue the war even though they, and all the people, are convinced that it has become futile, that an Iranian victory cannot be achieved in any way and that wagering on the internal situation in Iraq, on the fall of the regime and on the departure of President Saddam Husayn has become a losing wager. The situation inside Iran is a tug-of-war between the various sides to determine which is the one capable of forcing the decision in its favor. There is no doubt that an observer of the Iranian military situation and of Iran's reluctance to launch the offensive about which it has been talking constantly for more than 6 months realizes that there are among the Iranian people's ranks those who understand that this battle is a losing battle, that it must come to an end and that negotiations will have to be held with Iraq. But this phase may require some time because of the internal conditions in Iran. However, the tug-of-war between those who support Khomeyni and war and those opposed to Khomeyni and the war goes on. All we need to do is to wait for the outcome of this tug-of-war to find out who will triumph inside Iran. What one can assert is that there is a sharp split in the Iranian administration and that not a long time will pass before some results of this conflict

will surface in connection with ending this war. Moreover, the series of hijackings of Iranian planes and the fact that these planes have sought refuge in Iraq is, without doubt, evidence of the dissatisfaction of the Iranian peoples with what is going on in Iran and an indication of these people's desire to get rid of Khomeyni's regime by any means. Being difficult for them to get rid of this regime, they resort to fleeing the country in this flagrant manner by hijacking planes. Some Iranians resort to this means to express to the outside world the extent of their wrath at Khomeyni's regime and their desire to get rid of it.

[Question] A final question: how do you evaluate Iraqi-British relations on the one hand and the position of the British media toward the Gulf war on the other hand?

[Answer] Iraqi-British relations are normal and there are no major problems impeding these relations. However, there are some matters that do usually develop in international relations between countries. But these matters have not reached the extent of muddying our tranquil relations because they are matters that can be overcome and surmounted through contacts between the officials of both governments.

The British position toward the Iraq-Iran conflict has been expressed in numerous statements by British officials. It is the position that Britain stands neutral toward this conflict and that it will not supply either side of the conflict with weapons. Economic relations are proceeding normally for both sides. Some information has surfaced indicating that Britain supplies Iran with weapons. When we contacted the British officials, they denied these reports decisively with official statements. But in our modern age, it may be difficult to find out the truth in the weapons trade issue by virtue of the thorny nature of this trade and of the possibility of acquiring weapons through various legal and illegal means. Therefore, it is difficult to prove the information and reports to the effect that a certain party does or does not supply weapons to another party. The constant assertions by British officials say that Britain is not supplying Iran with weapons. It is impossible to obtain proof to the contrary. As for the British media, they have covered a lot of what is going on in the Gulf and have reported extensively on the bad conditions inside Iran: mass murders, agitation campaigns, a deteriorating economic situation and a shaky military situation. Insofar as Iraq is concerned, the British media's position is not bad. The Iraqi government, the Iraqi Ministry of Information and the Iraqi embassy in London, as well as the press department, constantly supply the British media with reports on the conflict with Iran, on the ongoing battles and on the economic and financial situation. All these aspects are covered by the British media in a reasonable manner.

There are some British papers that have taken a hostile position toward Iraq for reasons beyond the framework of the Iraq-Iran conflict -- reasons attributed to the connection between these papers and other circles hostile to Iraq. The BBC has at times taken bad positions. But the embassy has corrected these positions and the BBC has backed down on its previous positions.

# NEW SOCIAL INSURANCE STATISTICS REVEALED

Baghdad AL-JUMHURIYAH in Arabic 12 Sep 84 p 7

[Article by Muhammad al-Yasiri: "In the General Retirement and Social Insurance Organization: 21,310 Workers Covered by Social Insurance"]

[Text] The General Retirement and Social Insurance Organization is working to apply the amended Retirement and Social Insurance Law 29 for 1972 in order to protect covered workers from the dangers to which they are exposed, by guaranteeing sources of livelihood for these workers and their families when they stop working.

In the course of 4 years of our just war against the Khomeyni clique's aggression, the process of building up resurgent Iraq in the direction of realizing the bright face of the Iraq of the triumphant commander Saddam Husayn has not stopped.

The organization, in spite of the circumstances of the war imposed on our country, has realized distinctive quantum leaps as far as realizing health insurance, retirement and compensation for work injuries is concerned. In the area of health insurance, the organization, in 1980, guaranteed 31,056 workers, whose total compensation came to 1,331,733 dinars, while in 1981 that came to 38,453 workers whose compensation came to 1,651,568 dinars and in 1982 to 24,707 workers whose compensation came to 1,966,461 dinars. In 1983 the number was 25,857 workers and the amount of their compensation 2,313,982 dinars, and at the end of the first half of 1984 it came to 11,237 workers totalling 845,625 dinars.

The number of workers covered by job injury compensation came to 20,532. In the area of retirement insurance, the number of persons retiring in the years of the war came to 40,108. In the area of projects carried out, as regards the provision of services, these totalled 32 in 1980, at an estimated cost of 6,599,610 dinars. In 1981 the organization constructed four kindergartens, clubs and health centers for workers in the Governorates of Baghdad, Irbil, Dahuk, Nineveh, al-Sulaymaniyah, Babil, Wasit, al-Basrah and al-Qadisiyah.

The total amounts spent in 1982 came to 9.5 million dinars.

In 1983, the amounts spent came to 9,798,543 dinars.

This vital organization, which is considered one of the largest in the Ministry of Labor and Social Affairs, has worked, and continues to work, to provide short term compensation, such as compensation for sick leave, pregnancy, maternity and job injuries, in order to realize the goals of the leadership of the party and the revolution, headed by the fighting president and commander, Saddam Husayn.

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ACTING FOREIGN MINISTER DETAILS REASONS FOR RESTORING RELATIONS WITH EGYPT

Cairo AL-AKHBAR in Arabic 4 Oct 84 p 3

[Interview with Hikmat Tahir, acting minister of foreign affairs, by Wajih Abu Dhikra: "Acting Jordanian Minister of Foreign Affairs to AL-AKHBAR: Boycott of Egypt Is Tantamount to Political Hypocrisy and to Shirking Responsibility for Realistic Action"; in Amman, date not specified]

[Text] Hikmat Tahir, the acting Jordanian minister of foreign affairs, appealed to the Arab nation to restore political relations with Egypt. The Arab position has collapsed completely, the dangers of the Gulf war have intensified and the U.S. position has retreated to the sphere of total alignment and partnership with the Israelis.

The final meeting I had with a Jordanian official before my departure from Amman was the meeting with Tahir Hikmat, the acting minister of foreign affairs, whom Layla Sharaf, the minister of information, said is the official empowered by the Jordanian government to discuss the political issues because of the foreign minister's trip to the United Nations. I had spent 4 days in Amman during which I met with dozens of Jordanian political leaders and with Palestinians in Jordan in an effort to find out the Jordanian political street's opinion on the restoration of Egyptian-Jordanian relations.

[Words indistinct] foreign minister [words indistinct] the Jordanian media: why has Jordan restored its relations with Egypt at this particular time?

He said: Let us speak frankly [words dropped] and there have been those who have strongly supported the immediate restoration of relations and who believe that this step has been late in coming and that Jordan, led by King Hussayn, is the country that can break the Arab barrier of fear and can restore the ambassadors because the relations do exist. There is another opinion which fears that the Arab countries will cut off the current financial aid that they advance to Jordan, a country which lives on aid and which has the problem of supporting its army, which is deployed along



a front that is more than 600 km long, and of supporting more than 1 million Palestinians living in the occupied territories whom Jordan supports and assists in the immortal battle of steadfastness they are waging against the Israeli forces and the Jewish radicals. There are also those who fear the Arab terrorist states that reject everything other than tearing the Arab nation apart and that have violated every law and every resolution. These people say that this step has been expected of other countries that are not afraid of the Arab terrorist states. There is, furthermore, another opinion that rejects the restoration of relations. This opinion is held by a small minority in sisterly Syria.

I gathered all these opinions so that they may act as mainstays in the dialogue between the acting minister of foreign affairs and me. In the foreign minister's office at the Ministry of Foreign Affairs, I had this interview with Hikmat al-Tashir, lawyer, politician, acting minister of foreign affairs and current minister of transport:

[Question] What magnificent frankness!

[Answer] The Arab boycott of Egypt has produced nothing and has changed nothing. The boycott has had no effect on the changes that have occurred.

[Question] How?

[Answer] The boycott has not been the influential factor in the development of Egyptian positions. This boycott has become symbolic, superficial and with absolutely no weight. It has turned into some sort of political hypocrisy and into a mentality of clinging to the slogans out of the desire to shirk the responsibilities of realistic action.

The relations of most of the Arab countries with Egypt are good relations in all fields and spheres, despite the boycott. Economic and cultural, and even political relations exist and are in good shape. All they lack is form.

Moreover, President Husni Mubarak has adhered to the Arab nation's fundamental objectives and causes and has not squandered any of this nation's rights. He has worked silently to serve this nation's causes, whether through his position on the Lebanon war, his support for the Palestinian resistance or his support for the Iraqi people in their pan-Arab battle.

In view of all this, are the negativists still wondering why Jordan has restored its diplomatic relations with Egypt at this particular time?

#### Collapse of Arab Position

[Question] The Foreign Ministry's statement says that the Arab causes are in danger. What is the Jordanian government's view of this danger?

[Answer] The Arab position has collapsed, the dangers of the Gulf war have intensified and the U.S. position has retreated to the sphere of total alignment and partnership with the Israelis.

The Palestinian cause itself is in danger. The latest Israeli elections have produced a cabinet whose makeup does not lead one to believe that it is inclined toward moderation. Rather, any analysis of this cabinet's policy and of the tendencies of Israeli public opinion confirms that radicalism and the plotting of aggression are predominant.

#### State of Arab Weightlessness

[Question] Aren't there other reasons that have motivated Jordan to take this courageous step?

[Answer] In addition to the above-mentioned reasons, there have been in the Arab arena changes that have altered the balance of power. The bilateral axes and blocs have taken a form that underlines the urgent need to take a step to break the framework of this inactivity and of this form. Jordan has found that the Arab nation is in a state of weightlessness and instability. On the instructions of His Majesty King Husayn the Jordanian step for restoring relations has come to rescue the Arab nation from paralysis and to free the Arab political will from the framework of political falsehood and hypocrisy.

#### Who Swerved from Summit Resolutions?

[Question] The negativists also say that Jordan's restoration of full relations with Egypt is tantamount to swerving from the summit resolutions.

[Answer] Come, let us read to them the text of the provisions of the summit resolutions.

(Jordan's acting minister of foreign affairs brought out a volume containing all the resolutions of the summit conferences and began to read the resolutions of the 9th summit, which was held in Baghdad, and then of the 10th summit, which convened in Tunis. He could not find any clear resolution calling for the severance of diplomatic relations with Egypt.)

(Al-Tahir went on to say:) The resolutions of the ninth summit, which convened in Baghdad, contain nothing other than what I am going to read you verbatim: "Therefore, the conference stresses its disapproval of these two agreements -- meaning the two Camp David accords -- its refrainment from dealing with any consequences emanating from these accords and its rejection of any political, economic, legal or other traces emanating from them. The delegation of the Sultanate of Oman has expressed a reservation on this resolution."

## Arab Summit and Severance of Relations

(Hikmat al-Tahir added:) In its second resolution, the ninth Arab summit underlined the need to unite Arab efforts to deal with the strategic imbalance emanating from Egypt's departure from the battle.

The third resolution of the same summit contains a call from the Arab kings and presidents urging Egypt to back down finally on the two Camp David accords. The fourth resolution of the same summit says that if Egypt -- Egypt's government -- responds, the door will remain open for it to take its natural place in the Arab ranks and to regain its support.

This is all that was said about Egypt in the resolutions of the ninth summit. It is evident from reading these provisions that no reference has been made to severing relations.

At the 10th summit, which convened in Tunis in 1979, there were two resolutions concerning our topic.

(The minister began to read the text of the two resolutions:)

"Fourth, the conference has reaffirmed its condemnation of the two accords and of the treaty and its absolute rejection of these accords and treaty and of all the consequences and traces emanating from them.

"Fifth, the conference reaffirmed the continuation of the boycott -- economic boycott -- defined as a boycott of the institutions and persons who deal with the Israeli enemy."

This resolution points out frankly that this boycott should take place in accordance with the resolutions of the 42nd conference of the liaison officers of the Arab Boycott of Israel Offices.

There is no provision for severing relations between the Arab countries and Egypt.

But the ninth conference which convened in Baghdad decided that in case the peace treaty between Egypt and Israel is signed, the Arab ministers of foreign affairs would meet in Baghdad to take the steps to move the headquarters of the Arab League from Cairo to another Arab capital temporarily until political circumstances permit Egypt's return to the Arab fold. This recommendation contains no provision for severing relations with Egypt.

### Ministerial Recommendation Not Discussed by Summit

But, the Jordanian minister went on to add, the conference of the Arab ministers of economy and foreign affairs issued several recommendations, and I stress that they are recommendations and not resolutions. The first recommendation called for withdrawing the Arab ambassadors from Cairo. The second called for severing political and diplomatic relations with Egypt.

These recommendations were presented to the summit which convened in Tunis in 1980. However, this summit did not issue any resolution approving or even adopting this recommendation. Moreover, no other Arab summit has dealt with these recommendations.

(Closing the volume of Arab summit resolutions, Tahir Hikmat, the Jordanian acting minister of foreign affairs, said:) Any statement that there is a resolution on severing relations with Egypt is inaccurate and legally incorrect. All we have is a recommendation by the ministers of foreign affairs and economy, nothing more. It is no more than a recommendation that can be accepted or rejected. This is why three Arab countries have maintained full relations with Egypt, namely the Sultanate of Oman, Sudan and Somalia.

(The minister added angrily:) If there has been a response to this recommendation, it does not mean that this response should last forever.

#### Financial Aid for Jordan Continues

[Question] Some supporters of the terrorist regimes say that the restoration of relations may lead to a cutting off of Arab financial aid for Jordan. Jordan is a poor country with big responsibilities and it cannot withstand the withholding of this aid.

[Answer] (The minister was suprised by this question and answered confidently and firmly:) We see no place for such fear. Arab financial support is not advanced to serve a certain government. It is advanced to enable the Jordanian and Palestinian peoples to confront the Israeli aggression and Israeli aspirations. There is absolutely no linkage between the aid allocated in support of steadfastness and a severance of relations with Egypt or anybody else. I say with utmost confidence that we have no fear.

#### They Are Ones Who Deviated from Consensus

[Question] But al-Qadhdhafi's Libyan Jamahiriyah demands the severance of relations with Jordan because it has swerved from what it calls the Arab consensus.

[Answer] (The man smiled over the Libyan reaction and said:) Deviation from the consensus has been committed by the provocative states with their position toward the Gulf war and their position toward the aid issues. They have stopped their aid for no reason, even though this aid is stipulated in the summit resolutions.

Let us leave the talk about consensus aside because those who advocate respecting the Arab consensus are the first to deviate from it. Let me tell you that he who seeks justice must come with clean hands.

## Arabs Will Follow Jordan's Example

Negative reactions were expected from a minority. However, the positive reactions have been great and numerous. We in Jordan have become accustomed to weighing matters unemotionally and to evaluating the objective and psychological circumstances under which each Arab country lives. The moderate countries have welcomed the decision. Other countries have welcomed it, with a reservation about the means. As long as there is agreement over the essence, then what does it matter if relations are restored by a summit decision or by an independent decision. Moreover, we appreciate the circumstances of some moderate countries whose position is governed by certain pressures by the forces that are good at raising political slogans.

But, the Jordanian minister says, all the moderate countries support our step and will follow our example. Any examination of the reactions expressed demonstrates the soundness of our march. We laud especially the reaction of Algeria which has been characterized by a great degree of wisdom and objectivity.

## We Support Convocation of Summit

[Question] What is your view of Morocco's call for convening a summit to discuss the question of a resumption of Egyptian-Arab relations?

[Answer] We welcome this and Jordan is prepared to attend a summit conference in any place, provided that this summit is devoted to discussing the current fundamental issues, namely the Palestinian issue, the Gulf war and the issue of the return of Egypt to the Arab countries.

## International Conference To Settle Issue

[Question] There are several plans or initiatives in the international arena to settle the Palestinian issue. There are the Camp David accords, Reagan's plan, the Soviet plan, the Fez plan and the Egyptian-French plan. What path will Jordan choose?

[Answer] Despite our analysis of all the circumstances, we insist that the ideal means lie in holding an international conference in which the Soviet Union and all the parties to the conflict, including the Palestinians, participate. This is the only ideal and the safest means and it will produce results in settling this issue, keeping in mind that Jordan has approved the Soviet proposal for settling the Middle East conflict.

## Deterioration of Relations Between United States and Arabs

[Question] What is your opinion of the latest U.S. statements that are partial to Israel?

[Answer] U.S.-Arab relations have deteriorated because of the inability of the U.S. administration to understand our causes and because of its submission to Israeli influence. There is no doubt that what has encouraged the United States to take these positions that are aligned with Israel is the collapse of the Arab position and the inability of the Arabs to establish an effective position that poses a real threat to U.S. interests.

#### Battle of Weapons

[Question] What point has the battle of weapons between Jordan and the United States reached?

[Answer] It is no secret that we have purchased Soviet weapons. It is also no secret that negotiations are underway with the Soviets for the purchase of more weapons. We are also negotiating with other countries to purchase weapons and we will import weapons from any place, even from China, with the hope of diversifying the sources of weaponry. We will buy them from any weapon-producing country, excluding Israel and South Africa.

#### Dialogue Ends

The interview lasted more than 2 hours and the man dotted the i's and crossed the t's with a profound understanding of the Arab nation's circumstances. With great diplomacy, he answered all the questions with indisputable clarity.

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INFORMATION MINISTER DISCUSSES RELATIONS WITH EGYPT, SOVIETS

London AL-TADAMUN in Arabic No 79, 13 Oct 84 p 12

[Interview with Layla Sharaf, minister of information, by Najih Khalil:  
"Layla Sharaf Speaks to AL-TADAMUN Few Hours Before Mubarak's Arrival in  
Amman; When Dust Clears, Wisdom of Decision Will Become Evident"; in  
Amman, date not specified]

[Text] Amman -- Hours before President Husni Mubarak's arrival in Amman, the capital of Jordan, and amidst the successive reactions to the restoration of Jordanian-Egyptian relations, AL-TADAMUN had an interview with Layla Sharaf, the Jordanian minister of information, in which she stressed that the decision to restore relations with Egypt was a strategic Jordanian decision that is capable of stirring life in the Arab state of inactivity. Layla Sharaf also said that the Jordanian-U.S. relationship has been going and is still going through a difficult period because of the U.S. position of total alignment with Israel. Following is the text of the interview with the Jordanian minister of information:

[Question] What is the political visualization of future Egyptian-Jordanian relations now that these relations have been restored to their normal course?

[Answer] I would like to say that we aspire to something more than just developing Egyptian-Jordanian relations because the restoration of political relations with Egypt crowns a period during which we began to meet with Egypt when it followed an Arab direction. As a result, we have crowned our relations with Egypt by restoring full political relations with it. Moreover, we believe that this step of ours will penetrate interaction in the Arab ranks and will reduce the number of axes existing at present. This may be difficult. But by restoring relations, we create a sort of activity and dynamism within the Arab ranks and we further strengthen these ranks.

[Question] Jordan's announcement of the restoration of relations with Egypt coincided with the presence of Richard Murphy, the assistant U.S. secretary of state, in Amman. Then PLO Chairman Yasir 'Arafat arrived in Amman. Is there a connection between the decision to restore relations and the visits of the two men to Amman?

[Answer] The truth is that the Jordanian decision to restore relations with Egypt was made a long time ago. But we were waiting for the right time to announce it. The moment of the announcement of the decision could have come a week earlier or a month earlier or later. But it has come now. Here, one raises the question: why was it announced at a time when Murphy and 'Arafat were in Amman? I answer by saying that Murphy came to the area unexpectedly. He came on a mission other than a direct mission of peace. Rather, he came for specific reasons, including participation in the investigation on the blowing up of the U.S. embassy in Beirut. He also came to discuss the issue of Israel's withdrawal from South Lebanon, coordinating the efforts in this regard with Syria, which he has visited twice. He also visited Israel and then came to us to familiarize us with the various developments pertaining to this issue. He also discussed with us our announcement of the restoration of relations with Egypt. As for his presence in Amman at the time the decision was announced, the decision was made before Murphy arrived here. As for Yasir 'Arafat, he was supposed to visit Amman earlier but the date of the visit was delayed due to the presence of King Husayn in London. Thus, 'Arafat's visit was not involved in the issue of relations but is rather a continuation of the coordination talks held with the PLO.

[Question] It has been said that Murphy has brought a U.S. plan to Jordan, Syria and Egypt. It has also been said than an indirect dialogue is being held between Syria and Israel on Israel's withdrawal from South Lebanon in return for Syrian security guarantees.

[Answer] Murphy came on a specific mission of which all the Arabs are aware. The problem of the Arabs is that they always load matters with more than they can withstand. Murphy's visit is a visit with clear objectives, including the objective of discussing Israel's withdrawal from South Lebanon. It may be normal for Israel to demand guarantees for its withdrawal and it seems that Murphy is proceeding on the path of securing such guarantees.

[Question] In the wake of the Jordanian government's announcement of its decision to restore relations with Egypt, a number of Arab countries welcomed this decision while others opposed it. Does her excellency the minister agree that this decision has created a new crisis in Jordan's relations with some Arab countries?

[Answer] I do not believe that the decision has created for us a crisis of relations with some Arab countries. On the contrary, I believe that it will generate new dynamism which will bolster Arab solidarity, perhaps today or tomorrow or perhaps later. But this dynamism will ultimately materialize. The Arab situation is in a state of extreme inactivity and silence. Some Arab brothers may oppose this decision but they will ultimately realize that it is a wise decision and will support it. When the dust clears, the Arab brothers will realize that the time is no longer a time of bartering the Palestinian cause or the pan-Arab cause but a time for examining our issues with a strategic dimension and of thinking of our future on the basis of preparing for this future. Therefore, the Jordanian decision to restore relations with Egypt is, as Prime Minister Ahmad 'Ubaydat said, an advanced



strategic decision, meaning that it emanates from our strategic view of affairs.

[Question] It has been noticed recently that some tension prevails in Jordanian-U.S. relations. It has also been noticed that Jordanian-Soviet relations are improving. What is her excellency the minister's evaluation of Soviet-Jordanian relations in light of the circulated reports to the effect that the Jordanian army commander has concluded a deal for Soviet weapons?

[Answer] To start with, the army commander has signed nothing and no deal has been concluded. But Jordan aspires to build up its defense weapon. As a frontline state confronting the aggression and seeking to preserve itself, Jordan is entitled to obtain weapons wherever it finds them. After the failure of the deal for the U.S. Stinger missiles, Jordan found itself compelled to seek weapons from more than one place: from the Soviet Union and from the various European countries. But no final decision has been made in this regard. As for our relationship with Moscow, it is good, strong, balanced and continuing. The king visited Moscow 2 years ago. As for relations with the United States, they have been going and continue to go through a difficult period because of the U.S. positions vis-a-vis the Arab nation's causes. We hope that U.S. policy will turn toward a deeper understanding of the Palestinian issue. Should such a transformation occur, a fundamental change will take place in our relations with the United States.

[Question] It has been circulated recently that Jordan will permit some parties to engage in political activity. How true is this?

[Answer] There has been no discussion at any of the official levels in Jordan on the restoration of partisan life to Jordan. We believe that the situation is going through a critical period that makes it difficult to restore parties to the country. We must return to democracy gradually and must not leap to the top of the ladder at once.

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FOREIGN MINISTRY OFFICIAL DISCUSSES DIPLOMATIC CORPS, EXPATRIATES AFFAIRS

London AL-HAWADITH in Arabic No 1456, 28 Sep 84 pp 18-19

[Interview with Ambassador Fu'ad al-Turk, general secretary of the Ministry of Foreign Affairs, by Sharbil Zughayb: "Secretary General of Ministry of Foreign Affairs Explains Frankly: Some Complaints Against Embassies Are True and International Lebanese Cultural League Has Failed"; date and place not specified]

[Text] When Ambassador Fu'ad al-Turk was appointed secretary general of the Ministry of Foreign Affairs, he was described briefly as a well-organized diplomat and administrator. Upon his appointment, al-Turk maintained silence, except in necessary situations. Then he began to open his door to the press. However, the spheres of Bustrus Palace [premises of Ministry of Foreign Affairs] have remained closed to some urgent queries for certain facts, especially facts concerning the work of Lebanese embassies and the services they offer the Lebanese who resort to them.

In this interview with Ambassador al-Turk, the ambassador points out that there are actually some complaints and that two diplomats have been moved from their positions when this complaints against them were proved to be true.

Even though the general secretary of the Ministry of Foreign Affairs expressed satisfaction with the embassies' activities, he declared frankly that the International Lebanese Cultural League has failed.

The ambassador started his talk with a summary of Lebanese diplomacy, saying that it is not new and that it is old and dates back to the days of Fakhr-al-Din. But the diplomacy of the independence era started with the declaration of the republic and the founding of the Ministry of Foreign Affairs which was then changed into the Ministry of Foreign and Expatriate Affairs.

After more than 40 years, we can say that Lebanon has a diplomatic heritage which has been bolstered according to a general framework and a well-studied plan by all those who have served in succession in the Ministry of Foreign and Expatriate Affairs. Each administration has its personalities, its approach and its method of diplomatic activity.

Since assuming the general secretariat of this ministry, I have exerted efforts to make Lebanese diplomacy abroad more dynamic, more productive and more giving.

[Question] But according to what has been reported, Lebanese diplomacy abroad is talking more and producing less, as shown by the deterioration of Lebanese-U.S. relations to a level which has made Washington proceed from openly spasmodic positions vis-a-vis Beirut. This is interpreted by some people as the fault of Lebanese diplomacy in understanding the U.S. mentality and the inability of this diplomacy to reach U.S. decision-making circles. What is your response?

[Answer] This is a political question and I am a veteran diplomat who does not deal with politics in the narrow sense. There is a big difference between policy and diplomacy. Even if the two agree, it is only in the abstract. We as diplomats exert efforts to prepare dossiers and studies within the purely diplomatic framework and we present them to the government to make its political decisions in light of its assessment of affairs. It is not necessary that the government take the options that we recommend. At times, it takes other options, keeping in mind that in accordance with the law, the Ministry of Foreign Affairs is in charge of formulating, coordinating and implementing foreign policy, but not making the decision on this policy.

In the past, foreign policy relied perhaps on the ability of persons only. But at present, we exert efforts to mobilize the ministry agencies so that they can formulate the policy from below to be presented to the authority above in order that this authority can make a decision on this policy. This is why the new law stipulates the presence of a planning council in the Ministry of Foreign Affairs to map out Lebanon's foreign policy.

[Question] There is a Lebanese complaint abroad about the negligence displayed by some embassies. What is your comment?

[Answer] Generally, I am satisfied with our diplomacy. But the available political, human and material resources must be taken into consideration. We move within the limits of the few resources available to us. Since the onset of this administration, we have tried as much as possible to provide our embassies and missions abroad with all they need so as to enhance their activity and improve their productivity and so that the ambassadors may keep us up to date with the developments in the countries where they are located and to do so with the speed required by their positions and circumstances. This does not mean that what we are doing is idealism itself. Rather, it represents our minimal ambition. But what else can we do when we are moving within the limits of the basic elements available to us. In comparison with the past, it can be said that Lebanese diplomacy is moving and producing satisfactorily.

[Question] AL-HAWADITH has received complaints of the negligence that has been displayed and continues to be displayed by several Lebanese embassies.

Some of the complaints demand that missions be dispatched to investigate what is going on in these embassies. What is your response?

[Answer] I am known not to disregard such complaints, despite my numerous concerns. Every time we receive a complaint at the Ministry of Foreign Affairs about negligence abroad, I immediately investigate the complaints to find out whether they are true or not. In case they are proven true, we take immediate action and steps against those responsible for the negligence. I am prepared to send a factfinding mission to any capital to investigate any violations committed, keeping in mind that the complaints are not always true. Rather, most of the time they are lies. In the recent transfers, I moved two diplomats from a certain embassy because I found out that the complaints voiced against them by a number of citizens there were true.

[Question] Some ambassadors have been appointed from outside the ranks of the Foreign Ministry cadres. These ambassadors are still in the central administration because they have no posts to fill. What is the fate of these ambassadors?

[Answer] The law permits the government to appoint 15, out of a total of 60, ambassadors from outside the ranks of the cadres. This appointment depends on the government's recommendation.

Most of those appointed have joined Lebanese embassies. As for the remaining ones, they are awaiting the new transfers to go to their new posts. With their presence in the central administration, these ambassadors will carry out the tasks entrusted to the ambassadors who come from within the cadres.

[Question] Will there be new transfers in the foreign diplomatic corps in the near future?

[Answer] There are vacant posts in a number of embassies either as a result of death, end of service or resignation. Moreover, there are ambassadors approaching the dates of their transfers to the central administration, in addition to ambassadors whose term of service in the central administration has ended and who must be appointed to posts abroad. The process of transfers requires a decision from the government. I believe that it is necessary to fill the vacant posts quickly so as not to undermine diplomatic activity abroad due to the absence of ambassadors to head the embassies.

[Question] You have presented a bill on how to appoint ambassadors from outside the ranks of the cadres. What are the broad lines of this bill?

[Answer] We have established some controls for the appointment of ambassadors from outside the ranks of the cadres. The appointee from outside the ranks of the cadres must be at least 40 years old, have a university degree and be qualified for this post. Moreover, we have set the salaries for these appointees. It is my opinion that the appointment of an ambassador from outside the ranks of the cadres must come as a result of a certain task which the appointee can perform when ambassadors from within the ranks of the cadres

must come as a result of a certain task which the appointee can perform when ambassadors from within the ranks of the cadres cannot perform it.

[Question] Let us talk of the other part of the ministry, i.e., the expatriates. These expatriates accuse the state of failing them and the state accuses them of failing Lebanon. Briefly, how can we simplify the issue of Lebanese expatriates in the world?

[Answer] Here, a distinction must be made between the expatriates and the dispersed. The expatriates are the ones who leave Lebanon at present whereas the dispersed are those who are of Lebanese extraction and who were born in the country in which they live and hold this country's citizenship.

There are vast Lebanese capabilities abroad. Lebanon has attained the position where people of Lebanese extraction have become the presidents, ministers, deputies and rulers of more than one country. The Lebanese International Cultural League was founded in 1960 for the purpose of mobilizing these capabilities to bolster relations between the countries in which they are located and Lebanon, provided that the first and absolute loyalty of the emigrants be to the host country or the country in which they were born. Through this loyalty, these emigrants should exert efforts to serve Lebanon and its interests in the country in which they are located. Regrettably, the Lebanese International Cultural League has not been able so far to perform the role we delegated to it because some of the emigrants have considered the league as a source of "flattery," parties and medals. I say this despite my respect for all those who have participated enthusiastically and sincerely to give the league the necessary momentum.

We are now in the process of reevaluating the league so as to enable it to perform the role for which it is qualified. We are exerting efforts to reconsider the league cadres, if we may use the phrase, because the league is very much like a pyramid that is made up of, first, the city branch, then the national council that includes all branches in the same country, then the continental council which includes representatives from all the national councils of the same continent and finally the International Council which includes the heads of the continental councils and of the national councils. We are now exerting efforts to reexamine the branches because when the branch becomes strong, it is normal that all the councils become strong.

It must be noted here that the Lebanese International Cultural League lives on the aid advanced to it by the State of Lebanon and that the expatriates have not offered anything for this purpose yet. This is impermissible.

[Question] The expatriates demand that a special ministry be set up for them. Is this possible?

[Answer] How can we establish a ministry for the expatriates when the league itself has failed. Who can guarantee that this ministry will not fail? The league must succeed in the task entrusted to it and must exert efforts to combine all the Lebanese capabilities under its banner. It will then be possible to think of establishing such a ministry if the State of Lebanon deems it fit to do so.

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CSO: 4404/35

STATUS OF PALESTINIAN REFUGEES DISCUSSED

Paris Al-MUSTAQBAL in Arabic No 397, 29 Sep 84 pp 30-32

[Article by 'Imad Judiyyah: "Palestinian Refugees: Where Are They and How Do They Live"]

[Text] Beirut--In the West Bank, there are 342,000 refugees living in 20 camps and working in free professions. UNRWA provides them with medical services at 32 centers. A total of 39,500 students receive their education in 98 schools, in addition to 3 vocational training institutes which offer the young refugees good chances to improve their lives. In the Gaza Strip, there are 320,000 refugees, many of whom get a small income from citrus cultivation and fishing whereas most of the workforce is employed in Israel, mainly in the construction, agricultural, industrial and trade sectors. The refugees are spread over eight camps where UNRWA runs nine medical centers that offer full services to their patients. UNRWA also runs 140 elementary, junior high and high schools and applies the curriculum followed in the Egyptian schools.

The Palestinian refugees in the West Bank and Gaza Strip: how do they live, what are their social, economic and educational conditions and what does UNRWA offer the Palestinian refugees? These three questions are answered by two press reports obtained by AL-MUSTAQBAL from UNRWA's Beirut Office. These reports underline the major and effective role the UN agency performs at the level of services and aid offered to the Palestinian refugees in the West Bank and Gaza Strip.

In the West Bank: the first report speaks in detail about the social, economic and educational situation of the Palestinian refugees in the West Bank and about the phases these refugees have gone through at these levels since the 1948 Arab-Israeli war and until today.

The report says:

"When UNRWA started its activities in 1950, the West Bank had been annexed to Jordan a short time before. Nearly 372,000 refugees, out of a total of 465,500 Palestinian refugees registered in Jordan, were living in the West Bank. These refugees fled their agricultural coastal areas, such as Haifa and Jaffa, as a result of the Arab-Israeli war which followed the partition of Palestine in 1948.

"In 1952, the refugees registered with UNRWA were able to acquire Jordanian citizenship and their children and grandchildren have enjoyed the same rights since then.

"The Arab-Israeli war of June 1967 and the Israeli occupation of the West Bank led to the escape of nearly 150,000 Palestinians to Jordan, thus becoming homeless a second time. Moreover, the Jordanian government registered, immediately after the war, a total of 237,500 former residents of the West Bank as new refugees in Jordan. At present, the number of West Bank refugees registered with UNRWA amounts to 342,000 refugees."

#### How Do They Live?

Before 1948, the West Bank economy was a part of the economy of Palestine as a whole. The West Bank relied on its fertile coastal plains for most of the food it needed. The Palestinian refugees who had come from urban areas in 1948 were educated. Therefore, it was easy for them to find work. As for the refugees who had relied on agriculture alone and who had lost their lands, they faced a more difficult future. This flow of refugees raised the population density in cultivable lands from 200 to 580 persons per square kilometer.

Today, the 20 camps continue to provide shelter for nearly 85,500 refugees. Most of the refugees are entitled to UNRWA's medical services which are offered at 32 medical centers. Patients suffering from a serious illness or requiring surgery are referred to hospitals where UNRWA finances more than 274 beds. The only hospital run by UNRWA is Qalqilyah Hospital in the West Bank.

The major part of what UNRWA spends in the West Bank is devoted to education. The same applies to what UNRWA spends in other areas. Nearly 39,500 refugee students receive an education at 98 UNRWA schools in the West Bank. These schools offer 6 years of elementary education and 3 years of junior high school education. Other students receive their elementary and junior high school education at government or private schools. Students wishing to continue their high school studies have to enroll in government schools. There are 28 village-type UNRWA schools in the West Bank. Several classes are run within the same room due to the small population served by schools in various parts of the West Bank. Even though school buildings have generally been below the desired standard and even though the dual academic system is the rule, the education made available to the refugee's children compares well with the education made available by the government or private schools. UNRWA is proud, according to the report, of its vocational and teacher training programs in the area. The Ramallah Women's Training Center near Jerusalem--a center combining vocational training with teacher's training--was the first educational center of its kind in the Arab world. Before the center was opened, female education was largely confined to academic topics. Since its inauguration in 1962, the Ramallah Women's Training Center has graduated more than 5,300 women students.

UNRWA also manages a male teachers' training institute in Ramallah and a youth vocational training center in Qalandiya. This was the first center established by UNRWA 27 years ago and it has grown in capacity from 127 places to 472 places.



These three institutes offer the young refugees good opportunities to improve their lives through acquiring skills needed by the rapidly developing Arab world where a large number of Palestinians hold responsible positions.

In the Gaza Strip: the second report is no different from the first and it also discusses the social, economic and educational reality of the Palestinian refugees in the Gaza Strip and the phases these refugees have gone through at these levels from the 1948 Arab-Israeli war until the present.

The report says:

UNRWA began its operations in 1950, with 200,000 registered refugees in the Gaza Strip. Those refugees had come from other parts of Palestine, especially from the Bi'r al-Sab', Beersheba, al-Majdal and Jaffa areas, as a result of the Arab-Israeli conflict which followed the actual partition of their country in 1948. The refugees sought shelter in this narrow strip which ranges in width from 6-10 km, which is 45 km long and which extends directly north of the city of Gaza to the peripheries of the Sinai Desert near the town of Rafah. This population flow, added to the local inhabitants, raised the population density to nearly 780 persons per square kilometer. This density stands currently at 1,250 persons per square kilometer. As a result of natural population growth, the number of refugees registered with UNRWA in the Gaza Strip amounts to 379,000 refugees. But the number of refugees actually living in the Strip is estimated to be only 320,000.

Except for a short period in 1956-57, the Gaza Strip was under the control of the Egyptian administration from 1958 until the renewal of the Israeli acts of aggression in June 1967--acts which drove nearly 38,500 refugees to Jordan. Since then, the Israeli authorities have been administering the area.

How do its inhabitants live?

Living in complete isolation from the rest of Arab Palestine since 1948, only a small number of refugees were able to find employment. In the Gaza Strip, more than half of the area consisted at the time of uncultivable sand dunes. Wages dropped considerably below their previous standards. Moreover, many native orchard owners and farmers in the Gaza Strip stopped tending their lands and other inhabitants became "economic refugees" for several years after the big population influx.

The population density and the limited work opportunities, especially before 1968, and the high percentage of refugees in comparison with the size of the local population explain the reasons that made the number of refugees living in camps in the Gaza Strip relatively larger than the number of camp refugees in any other UNRWA operations area. Nearly 56 percent of the refugees in Gaza live in eight camps whereas the percentage of refugees living in camps in all other UNRWA areas amounts to 37.5 percent.

Citrus fruits, the main commercial crop, and fishing provide a small income for many refugees.

Sixty-five percent of the refugees who used to rely on UNRWA medical services before the Israeli occupation have joined the health insurance plan introduced by the occupation authorities and managed by 13 health units. UNRWA runs nine medical centers which offer comprehensive outpatient services. UNRWA also runs six obstetric wings.

One of the best means for the Palestinian refugees to improve their conditions is to get a good education. A total of 140 UNRWA schools in the Gaza Strip offer 9 years of elementary and junior high school education and follow the curricula adopted by the Egyptian government schools.

Refugee children who continue their education at government schools to complete the secondary [high school] stage, which extends for 3 years, take the Egyptian high school certificate test. Refugee students passing this test are entitled to enroll in Arab universities. The UNRWA vocational training center in Gaza, which can accommodate 604 students, offers young men 2-year courses in mechanics, electricity and construction work. Gaza Strip male and female students can attend in the West Bank vocational training centers which are not available at the Gaza Strip vocational training centers. Moreover, qualified male and female students from the Gaza Strip receive teacher training at two UNRWA training centers in the West Bank.

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KHALID AL-HASAN DISCUSSES CONVOCAION OF PNC, 'ARAFAT'S LEADERSHIP

London AL-HAWADITH in Arabic No 1458, 12 Oct 84 pp 35-38

[Interview with Fatah leader Khalid al-Hasan by 'Adil Malik: "Khalid al-Hasan to AL-HAWADITH: Organization's Future Is in Balance and Patience Has Its Limits; Palestinian Cause Is More Important Than 'Arafat, Fatah or Any Party; Fatah's Relationship With Syria Has Never Been Worse; If Algeria Does Not Agree To Host National Council, It Must Be Convened at Another Arab Site"]

[Text] Paris--The issue of the convocation of the PNC [Palestinian National Council] is no longer an issue of a procedural disagreement over time and place. It has recently turned into a severe crisis rocking the Palestinian factions.

At a time when it seemed that some Arab mediation efforts, especially the Algerian-Yemeni mediation, might produce results in solving the existing differences and problems, it has become evident that there is nothing in the horizon to indicate an imminent solution.

Consequently, the time and place continue to be a subject of great polarization: will the council be convened and, then, where and when will it be convened?

AL-HAWADITH interviewed Khalid al-Hasan, one of Fatah's most prominent leaders, during his latest visit to Paris and addressed to him a number of questions on this issue and on the other issues raised in the Arab arena.

It is the opinion of Abu Sa'id [al-Hasan] that the Palestinians are entitled to demand Abu 'Ammar's head and his ouster from the PLO chairmanship but that no nonPalestinian voices are entitled to make the same demand. He believes that relations between the PLO and Syria have never been worse than they are at present. Abu al-Sa'id believes that it is necessary to convene an emergency Arab summit to discuss all issues, including the restoration of relations between Jordan and Egypt, and to act in accordance with whatever decisions such a summit makes. He has declared Fatah's and the PLO's rejection of the policy of axes, saying that any axis will create a counter axis. He has also said that the U.S. policy will not change with a new or old president as long as the Arab position continues to be as stagnant and as divided as it is at present. I believe that the PLO's future is in the balance. It can either proceed to convene the PNC or it will find itself far from its masses.

Following are the details of the interview with Khalid al-Hasan:

[Question] The issue of the PNC's convocation or nonconvocation is, evidently, no longer a procedural issue but rather is a deeper issue. What is the true nature of the situation, especially since you have stated repeatedly that the council will convene and since you have given the Arab mediators and the mediation efforts the chance to settle the existing problems and differences? Have these mediation efforts exhausted their objectives and what is the fate of the convocation or, God forbid, nonconvocation of the PNC?

[Answer] The issue of the PNC's convocation has turned from a means toward the goal of restoring the activity and efficiency of the legitimate Palestinian institutions to an end in itself. The PLO either exists or does not exist. At the outset, some organizations which we respect, such as the Popular Front and Democratic Front, claimed that there were political differences and that it was necessary to introduce organizational reforms in the PLO as a precondition for the convocation of the PNC. I am one of those who do not believe that there is any disagreement in the political strategy or in the phased objectives. However, there are differing interpretations on the means, and at times on the tactics, to be followed to achieve these goals. These interpretations have become so loud that they disturb those who do not have enough self-confidence to use the noisy tactic to achieve the sound objective. This is why we agreed to dialogue in order that we may agree on a joint paper concerning the political and the organizational issues. After extended efforts and with the help of the Algerian and Yemeni brothers, agreement was reached, and what was agreed upon was put down on paper and signed in the presence of the Algerian and Yemeni sides. Therefore, any delay in convening the PNC because of the claim of political or organizational disagreement is totally pointless and is something that is no longer believable or subject to discussion because the agreement has been concluded and signed and because it had already been agreed to hold an expanded dialogue to set a final date for the convocation of the PNC. It was also agreed that if a date were not agreed upon, then 15 September would be the date binding on all.

Regretably, it has become evident to us that the issue is not a political or organizational issue but that there are pressures on the Popular Front and the Democratic Front not to take part in the PNC meetings. As recently reported by the press, it has become a requirement that the so-called Democratic Alliance hold a dialogue with the so-called National Alliance and that after these two alliances reach agreement, they collectively hold a political and organizational dialogue with Fatah. This means, obviously, combining all the organizations in a single position countering Fatah's position. This is not only regrettable but also completely lamentable because it offers clear evidence of the dimensions of external influences on these organizations.

[Question] How does the PLO's future appear to you? Will the PNC be convened and where will it be convened?

[Answer] As all know, President Chadli Bendjedid has agreed to host the PNC in Algeria. I do not believe that the Algerians have backed down on this agreement because they are known for keeping their word and their commitments. However, the Arab interventions have made the brothers in Algeria think that

it may be beneficial to postpone the National Council if such a postponement enables the organizations to reach an agreement including all of them. I personally say very frankly that under these circumstances, it is impossible for all to reach agreement. Consequently, the backbone must move ahead with those who agree with it, provided that the door be kept open to all the others to join any time they want. Consensus is inapplicable, especially when good will or clear intentions are not present insofar as the organizations' relations with each other are concerned. When the discussion reaches the level of accusations, then this means that there is no mutual trust. If consensus is almost impractical for parties that trust each other, how could it be practical for those who do not trust each other? Generally, Fatah shoulders a fundamental responsibility in protecting the PLO and protecting the will of the Palestinian people and Palestinian masses inside and outside the occupied homeland. These masses have supported Fatah in the battle for independent Palestinian national decisionmaking. The masses, especially the Palestinian masses, are not the type of masses who agree to be led by a leadership that does not shoulder the leadership responsibilities despite all the difficulties it is facing. It is true that many of the influential factors are Arab factors. It is also true that many of the Arab friends exert pressure in the direction of patience, hoping that a comprehensive agreement will be reached. But matters have gone beyond the limit with which one can be patient. I believe that the PLO's future is now in the balance. Either the PLO leadership and its backbone, meaning the Fatah leadership, will proceed to convene the National Council or it will find itself far from the masses. We must also fully understand that the fear of those who are afraid that a new liberation organization will emerge is unjustifiable for several reasons. If the others, excluding Fatah, want to convene a national council in the name of the legitimate authority, they do not have one-third of the votes, whereas a quorum requires two-thirds of the votes. Therefore, their meeting will be illegal. If they want to set up a new liberation organization, such an act would be tantamount to an attack on the legitimate authority. In both cases, the idea will be a failure among the masses. The Arabs will be facing a clear challenge and they will be either with the legitimate authority and the Palestinian masses or against the legitimate authority and the Palestinian masses. This legitimate authority is entitled to resort to its people, to the popular unions and to the Palestinian masses, who created the PLO in the first conference of Jerusalem in 1964, to renew the organization's legitimate authority in accordance with the rules on which the PLO was founded, especially since there is a big difference between any popular conference held now and the conference that was held in the past. In the past, there was nothing other than the popular conference whereas we have now the Fatah Movement, the Palestinian popular unions and the Palestinian masses who have expressed clearly their support for the PLO, for the PLO's independent will and for the PLO's independent national decisionmaking. Any leadership must fully understand that the Palestinian people who have been struggling for more than 60 years for their national independence and their freedom will not be subservient to anybody. He who struggles for freedom cannot be a slave to anybody. What they are asking of the PLO and of the Palestinian people is to be incompatible with the Palestinian mentality and with the Palestinian psyche which has suffered greatly from Arab domination of Palestinian affairs. What they are asking is also particularly in conflict with the nature of the people who are struggling for freedom and for independence.

[Question] Regarding the conclusion you are referring to, we again find that Palestinian decisionmaking is tossed about by several currents tied in one way or another in the conflict with the Arab regimes, even though you have repeatedly adopted the slogan of liberating Palestinian decisionmaking and of taking this decisionmaking out of the maelstrom. To be more specific, what is the organization's relationship, rather Fatah's relationship specifically, with Syria?

[Answer] Very regrettably and sadly, I say that Fatah's relationship with Syria has never been worse than it is at present. It is as if the Palestinian cause has turned into a conflict between Syria and Fatah over whether Yasir 'Arafat should stay or not. I believe that the Palestinian cause is more important than Yasir 'Arafat, than Fatah and than any party existing in the Arab arena. I believe that national and pan-Arab responsibility requires every official to overcome this phase by pressing down on the wounds and exerting efforts to achieve the public interest. The Palestinian leadership is precisely that. Therefore, no leadership can have its respect, prestige and political authority over the people and can interact with the people dynamically if it does not truly reflect the Palestinian people, i.e., if it is not chosen by these people. Any change or alteration in the leadership as a result of a decision from outside the people is tantamount to abolishing this leadership. It is also tantamount to abolishing the concept of the PLO as the legitimate representative of the Palestinian people--a concept approved by the Rabat summit and acknowledged by the United Nations. Anybody who submits to a will other than the will of the people cannot be a representative of the people. We beseech all the friends and all the brothers to understand this point and to deal with us on the basis of this starting point and this concept. The problems existing between the PLO and Syria are no worse than the problems that have existed among the Arab states themselves and that have always found their way toward a solution. I don't understand this obstinate determination not to reach an agreement between Syria and the Fatah Movement and, consequently, between Syria and the PLO.

[Question] One of the outstanding recent developments in the area is Jordan's decision lately to resume relations with Egypt. What are the ramifications of this decision to the Jordan-Palestinian relationship?

[Answer] It may be premature to discuss this issue because we do not know its dimensions yet. Is it a reflection of Jordan's rejection to capitulate to a certain pressure? Is it tantamount to containing new schemes or embarking on other ones? All these are questions that need time before their answer is known and before a position is defined toward them. Generally, we in Fatah and in the PLO believe in full adherence to the legitimate Palestinian authority, embodied in the National Council's decision, and we believe in full adherence to the legitimate Arab authority, embodied in the summit resolutions. I believe that adherence is indivisible. We cannot adhere to what we only approve. Rather, we must adhere to all the decisions and all the positions as long as we take part in adopting them. Therefore, the need urges us to hold an emergency Arab meeting to discuss this issue and to act in accordance with the resolutions adopted in this regard. What I fear in this regard is that if the commitment rejecting the Camp David accord is a full commitment,

it will create confusion and uncertainty under this difficult circumstance and will affect the Arab bond we need in order to confront the Zionist and U.S. schemes in the Middle East.

[Question] There are Arab circles which say that Abu 'Ammar preceded King Husayn to Cairo and said, "Camp David is one thing and Husni Mubarak's Egypt is another." Do you accept King Husayn's logic to the effect that he does not approve of the Camp David accords but that he is in favor of the resumption of Egyptian-Jordanian relations for more than consideration, keeping in mind the big differences between the two visits?

[Answer] I believe there is a big difference between Abu 'Ammar's visit and this event. Abu 'Ammar visited Egypt without a relationship of representation emanating between the PLO and Egypt, unlike the relationship that will arise between Amman and Cairo. Moreover, Abu 'Ammar's visit to Cairo had its psychological circumstances about which we have spoken repeatedly. This visit has not produced any results and has brought about no action other than the restoration of the Palestinian struggle spirit to the Egyptian street anew. There has been, in fact, an obvious development in Egypt's view of the Palestinian issue. Even though this development is slow, it has been positive and we have felt it in more than one of President Husni Mubarak's positions toward our cause, the latest being perhaps the position that the Egyptian ambassador will not return to Tel Aviv before a withdrawal from Lebanon and from the territories occupied in 1967. There is a difference between moving closer to Egypt by as much as it moves away from the Camp David policy and what has happened recently. This difference is not an outward but rather a fundamental difference. But in fairness to all that is happening in the arena, we must say that there are secret relations between a number of Arab regimes, including some progressive regimes, and Egypt. Other Arab regimes, including Libya, have tried to restore the relationship with Egypt but failed for reasons that have nothing to do with the Palestinian issue or with the Camp David accord. King Husayn has engaged openly in what a number of Arab regimes have engaged and continue to engage secretly. I believe that the time has come for the Arab summit to meet quickly and to discuss matters frankly so that we may learn who abides by the Arab legitimate authority, embodied in the Arab resolutions, and who does not and so that we may get used to not acting independently on our opinions when they disagree with the opinions of others and agree with the others when they agree with our opinions. The collective leadership in the Arab arena cannot be ultimately a leadership of consensus. Consequently, if we abandon the commitment, there can be no Arab solidarity and if Arab solidarity disappears, no country can achieve any good in its international relations insofar as the issue of the Middle East conflict or the issue of the Palestinian cause is concerned.

[Question] It is reiterated these days that restoration of full diplomatic relations between Jordan and Egypt will be preparation for the rise of an axis, a bloc or a front, call it what you wish, that will include Jordan, Egypt, Iraq and the PLO. How true are these reports?

[Answer] What I know is that we in Fatah and in the PLO totally reject the policy of axes because one axis leads to the emergence of a counter axis. This means eliminating Arab solidarity and returning to conflicts between axes.



Naturally, any internal conflict will divert the attention of the disputants from the external enemy. Therefore, the policy of axes foils any effort to confront the Zionist schemes and the U.S. policy in the Middle East.

[Question] What point have the contacts between Jordan and the PLO on the confederal union reached?

[Answer] The confederal relations between us and Jordan emanate, in our opinion, from the National Council's resolutions and from the fact that they are relations between two independent states, meaning that after the establishment of the independent Palestinian state and agreement on this ultimate objective, we are supposed to establish bilateral relations that transform the concept of federalism from just an idea into a practical position when the time for its implementation comes. So far, nothing has been done in this regard. All that has been done is an agreement on principles. The joint Palestinian-Jordanian communique which was issued in Amman several months ago refers to the principles only and does not point out the details because no agreement has been reached on any of the details yet.

[Question] With the approach of the U.S. elections, there is, as usual, an "Arab station of hope" being broadcast by a certain Arab side or sides regarding the results that may emanate from these elections, keeping in mind that the entire climate points in the direction of certain continuity. Do you expect a new U.S. policy whose most significant feature is the establishment of new U.S.-Soviet cooperation in the area?

[Answer] We have been constantly accustomed to several things in the U.S. elections. We have been accustomed to see the Arabs look forward to the outcome of these elections and wager on this or that side without the least degree of sound thinking. This is normal because he who wagers on somebody else's horse cannot win. We have also been accustomed to hearing numerous statements from U.S. officials during the election campaign. We have also been accustomed to the fact that outside of the framework of U.S.-Israeli relations, these statements require a period of time before it can be proven that the U.S. administration is serious in its statements, including the latest statements concerning Soviet-U.S. relations and especially Shultz' statements that the Soviets must have a role in the Middle East. This position is in utter contrast with a statement made by President Reagan a few months ago when he said that the Soviets have no role in the Middle East. I believe that all that is happening at present comes within the framework of the U.S. election campaign tactics. A man who understands the liberal society and understands the U.S. mentality knows that the goal of the election campaign is to win the election at any price and with whatever statements. What is important is success. As for a political change by the United States, if I were in Reagan's place, I would not change the U.S. policy as long as I am facing no problems from anybody because of this policy. This is natural as long as the Arab position is divided and confused. The United States will not change its policy unless the Arab position changes and unless the Arabs take into their practical daily account their joint interests, both economic and political. The U.S. position requires a united Arab position to influence it, or else how could it be changed? Ethics and loyalty do not exist in international politics. This is



what the capitalistic concepts have taught us about international political relations.

[Question] What do you tell those demanding the ouster of Yasir 'Arafat from the Palestinian leadership?

[Answer] If they are Palestinians, they are entitled to say what they want. But the decision is ultimately in the hands of the PNC. Consequently, those who believe that Yasir 'Arafat must step down from the leadership should attend the PNC meeting. If they can convince the majority of their viewpoint, there will be no renewal for 'Arafat. But if they are a minority, then they will have to abide by the majority's opinion until they convince this majority that Yasir 'Arafat is unfit to be the chairman of the PLO Executive Committee. But if the demand comes from outside the Palestinian people, then I believe that those voicing the demand have no right to deal with the PLO Executive Committee chairman from the starting point of staying or not staying. They are entitled to deal with him from the starting point of right and wrong and they are entitled to attack or support his policy. But they are not at all entitled to demand that he stay or not stay. Within this framework, I believe that each and every Arab circle demanding Yasir 'Arafat's ouster either wants to entrench him in his position or provokes the Palestinian people's sensitivity insofar as their sovereignty is concerned, thus giving 'Arafat a popularity that strengthens him further. These methods are futile. The Palestinian people are vigilant enough to determine their position toward their leadership. So far, we have not encountered among the people the position that says no to Yasir 'Arafat.

[Question] And what do you say to those who, on the other side, defend stubbornly mistakes committed intentionally or unintentionally during the revolutionary action.

[Answer] Fortunately or unfortunately, this is the faction whose voice always rises in the direction of democracy and complains about dictatorship. If it is so convinced of democracy, then it must act democratically so that it may first prove to the masses and to the leadership cadres its credibility on the issue of democracy. But for dictatorship to be tackled with another form of dictatorship under the slogan of democracy, this is unreasonable and it is something that cannot be viewed seriously. Rather, those who approach the issue in this manner are viewed as instruments in the hands of others and as trumpets blown by others. There is no chance of respect for this method of criticism. There is the Palestinian press and these people can voice all the criticisms they wish to voice through this press. There are also the legitimate Palestinian institutions and they can voice whatever criticisms they wish to voice through these institutions. I have lived with the PNC meetings since 1964, i.e., since Yasir 'Arafat came to the PLO Executive Committee. Since then, he has been elected with the consensus of the PNC as a member of the Executive Committee and with the consensus of the Executive Committee as the chairman. This continuing consensus cannot be viewed with such simplicity. When one gets angry, he says that Yasir 'Arafat must go. Yasir 'Arafat is not unique among the Palestinian people. The people who have given birth to Yasir 'Arafat can give birth to others.

But leave the birthing process to the Palestinian will which couples words with deeds. We should not claim to be democratic and then engage in dictatorship and we should not attack fascism and then act in a more fascist manner in handling the problems. The monopolization of right or wrong is something that we reject in the Arab arena and something which they reject when they speak in the political organization. It is disgraceful of them to engage in the monopoly of right and wrong, the monopoly of opinion and the monopoly of decisionmaking if they are truly democratic, nationalist, pan-Arabist, progressive and leftist and have all the other attributes with which they describe themselves.

[Question] I started with a question on the fate of the PNC's convocation and I will conclude by asking the same question: Do you expect the PNC to convene in the near future and where will it convene?

[Answer] To be able to answer this question, we have to wait for the final outcome of the Algerian-Yemeni mediation. But I will say that the convocation of the PNC has become such a strategic requirement that when the Algerian-Yemeni mediation is concluded, the PNC has to be convened as soon as possible, regardless of whether the mediation is successful or not. In convening the PNC, we give the priority to Algeria for several reasons, including the fact that Algeria is totally committed to nonintervention in our internal affairs--our experience in the preceding conference was clear in this respect--and because we have asked Algeria and it has agreed. We also believe that Algeria does not renege on its promises. It is also shameful on our part to cancel our request to a people like the Algerian people, to a government and a regime like the Algerian regime and to a leadership like the Algerian leadership. If Algeria agrees, then we welcome such approval. But if Algeria fails to agree because of certain circumstances, then we must convene the PNC in another Arab country.

8494

CSO: 4404/44

DEPUTY TRADE MINISTER REVIEWS VARIOUS DOMESTIC ISSUES

Riyadh TIJARAT AL-RIYAD in Arabic No 271, Aug-Sep 84 pp 6-11, 67

[Interview with Deputy Trade Minister Tawfiq Ibrahim Tawfiq by Mustafa Sadiq Darwish: "The Deputy Minister of Trade for Supply: A Conversation on Supply and Domestic Trade Problems"; date and place not specified]

[Excerpts] In spite of his numerous preoccupations as deputy minister of trade for supply — inspecting the ministry's latest preparations to cope with the pilgrimage season, procuring the massive supply materials in the areas of concentrations of pilgrims so that they can obtain them easily and comfortably, and setting out a firm plan for their distribution and surveillance over their prices and fitness — the other problems of supply and internal trade pursue him from every side, seeking solutions, decisions and executive measures. These problems include the kingdom's participation in the issue of providing self-sufficiency in food for the Gulf Cooperation Council countries; the positive results which the application of the new statute to combat commercial fraud is bringing to bear; the most important features of the new regulations on sales; the measures the ministry is taking to protect people dealing in precious metals and stones; the measures the ministry has taken to cope with technical flaws in some cars, fraud in others, and poor manufacture in yet others; the issue of the guidance of supply consumption among citizens; the problem of inspecting the fitness and soundness of foodstuffs produced domestically; the measures the ministry has adopted concerning the issue of determining the loads of vehicles and their reflection on increased prices of sales to consumers; and the measures the ministry has taken to control the use of supply materials for purposes other than those to which they are allotted.

The questions were numerous and the answers required deep thought and much time. However, his excellency Mr Tawfiq Ibrahim Tawfiq was unstinting with TIJARAT AL-RIYAD in both time and effort, and the result was this large amount of answers which had been going about in many people's minds!

Self-Sufficiency in Food for the Gulf Countries

[Question] On the occasion of the meeting of the trade ministers of the Gulf Cooperation Council countries, what are your excellency's views on the issue of the kingdom's contribution to the matter of providing self-security in food for the countries in the group?

Answer: The kingdom's interest in the matter of providing food began at an early time. The development plans took place, relying on an ambitious agricultural food strategy which had the aim of increasing the sources of food on the one hand and guaranteeing its fitness on the other. These are the two sides of the issue of self-sufficiency in food.

The execution of the group of successive programs was of benefit in the constant growth we are experiencing today, with success from God and the sincere efforts of the people of this country, in the production of crops -- principally wheat, as a strategic crop in which it is now expected self-sufficiency will be attained this year. The same applies to the increase in agricultural production in the form of vegetables and fruit and livestock output in the form of milk, eggs and chicken. The tendency now is to diversify the base of agricultural production.

Interest in increasing the food [supply] has been accompanied by the effort to guarantee its fitness. We can sense every day the effort the General Grain Silos and Flour Mill Organization is making to increase the capacity of silos to accommodate wheat, increase the capacity of the strategic storage so that that will cover a whole year rather than 6 months, and help provide select seeds with high productivity. The production of wheat is approaching the stage of self-sufficiency, all varieties are being provided.

As well as guaranteeing the soundness of "food" for the citizens, we also find that the Arab Specifications and Standards Authority and the specific quality laboratories of the Ministry of Trade have combined efforts to guarantee a specific quality for food and make sure that what the local factories provide or what is imported conforms to the most modern standards specifications, along with continuing surveillance over "food" transactions in the markets to the point of their arrival at the consumer in sound form, fit for consumption.

Regarding the kingdom's contribution to the matter of providing self-sufficiency in food for the group of fraternal Gulf Cooperation Council countries, efforts have been combined, in the framework of the council's secretariat general and through the Commercial Cooperation Committee which met in Riyadh on 17 July 1984. A technical committee was formed to follow up on the study the International Bank for Reconstruction and Development is preparing under assignment from the secretariat general of the Cooperation Council on the strategic food reserve.

I would like to point out that the International Bank for Reconstruction and Development is seeking the end of some domestic consulting firms in the region to prepare this study. In the kingdom it is seeking the aid of the Saudi Consulting Services Firm, which is cooperating through its activity with some international consulting bodies such as the Arthur D. Little group.

#### Combatting Commercial Fraud

[Question] What are the trends in consumer protection, with the start of the application of the new statute to combat commercial fraud, and your expectations of the positive effects the application of the new statute could have?

[Answer] At the beginning I would like to state that the success of any statute to combat commercial fraud in a country characterized by the degree of freedom of trade which is the case in the kingdom will in the first place need the "citizen's" cooperation with the bodies that are responsible for applying the statute, proceeding from the premise that it has the goal of realizing his interests, whether his position is that of producer, merchant or consumer.

The new statute to combat commercial fraud which went into force in the middle of June has been codified in a more comprehensive, deterrent manner to combat the phenomenon of commercial fraud of various types and diverse forms, with the large increase in the volume and sources of commercial activity in recent years. Penalties for people committing violations have also been intensified and now range from 5,000 to 100,000 riyals, the shutdown of shops for a period of a week to 90 days, and an increase in the penalty of imprisonment from a week to 90 days.

In cases of fraud in foodstuffs, the penalty now starts at 10,000 riyals and goes up to 100,000 riyals, with confiscation of the goods which were the subject of the violation.

Among the positive features which were observed when it began to go into effect was an initiative on the part of a substantial number of importers and merchants to give notification on the foodstuffs in their warehouses whose fitness was about to expire, so that measures could be taken by the competent bodies in the ministry and the municipalities to destroy them.

For the ministry's part, in the desire rapidly to review the violations recorded, the number of bodies for controlling commercial fraud has been increased. These are now five, in Riyadh, Jiddah, al-Dammam, al-Qusaym and Abha.

Sales -- New Bases!

[Question] When does your excellency anticipate that the commercial fraud bill's provisions regarding sales will be applied? What are the most important features of the articles bearing on sales?

[Answer] In Article 18, the statute on combatting commercial fraud stated that the minister of trade can by his own decree regulate the methods followed for carrying out general discounts in the prices of goods supplied in shops in order to guarantee seriousness and non-deception. This includes the definition of the seasons and periods in which these discounts are made. The penalty for violating the provisions of the ministerial decree, after its issuance, now amounts to a fine of 5,000 to 100,000 riyals, the shutdown of shops for a period of no less than a week or more than 90 days, or both.

The phenomenon of discounts has been studied from all angles. After all the positive and negative features that accompany it had been learned, a system was proposed which is now the object of the final stages of study. This is embodied in the draft of a ministerial decree regulating the process of announcing discounts. In order that this decree may be phrased in a manner which coincides with all the views of interested parties, the ministry has presented it to the heads of the chambers of commerce in Riyadh, Jiddah and al-Dammam so that they can express their views. We hope that the study of this decree will be completed and that it will be approved soon, once the chambers' views on it have been received.

Among the most important subjects and sections the decree deals with are:

First, that the merchant who wants to make an announcement on discounts notify the chamber of commerce to which he belongs of his intent at least 2 months before the date specified for initiating them, provided that the notification include the following:

1. The reasons for giving the discounts.
2. Their period of the discounts and the date on which they will begin and end.
3. A list of the goods which the discounts will apply to, stating the actual price before the discounts, the price at the time of the discounts and the rate of these discounts.

Second, a shop may not declare that it is holding discounts more than twice a year, provided that the period not exceed a month each time.

Third, the rate of the discounts on all the goods offered for sale must not be less than 15 percent of the actual supply price, and there must be no markup during the month preceding the initiation of the discounts.

The draft, in addition, includes a reference to the penalty the statute has stipulated in the abovementioned Article 18. The inspectors of the General Department of Consumer Protection, the inspectors of the branches of the ministry and the officials of any other government body whose aid the ministry sees fit to seek, after his excellency the ministry of trade has agreed to their appointment, will be in charge of unearthing the violations of the provisions in the draft ministerial decree that occur.

#### The Bill on Gold and Precious Stones

Question What measures is the ministry taking to protect people dealing in precious metals and stones?

Answer The ministry has finished preparing the executive bill bearing on the statute on precious minerals and stones, which was previously issued in accordance with the noble Royal Decree M/42 on 15 April 1983. It is well known that the application of the new bill will start 90 days after the issuance of the executive bill and its publication in AL-JARIDAH AL-RASMIYAH.

The ministry presented the bill to leading goldsmiths, gold merchants and the chambers of commerce to learn about their views concerning it, so that the bill, when issued and applied, will be phrased in a manner which realizes the interests of all, in the context of the statute's goal of protecting all dealers, merchants, manufacturers and consumers.

It is expected that this bill will be issued soon. It includes everything related to the precious metal and stone vocation and trade, starting with their definition and the definition of craftsmanship, ingots, methods of paying for them, conditions of pursuing activities subject to the provisions of the statute and the method for



unearthing violations and imposing penalties, and ending with the definition of the inspection and payment levies and the manner of collecting them.

The ministry is now finishing setting up the gold and precious metals section, whose headquarters is the central specific quality laboratory in Riyadh, with the most modern equipment for inspecting diamonds, gold, precious metals and stones and payment equipment and determining the statutory standards, supplying it with a group of technicians and specialists in this area.

A continuous program is being carried out throughout the year to inspect gold shops. These rounds are intensified in Mecca, Madina and the holy shrines during the pilgrimage season in order to unearth fraudulent ingots and works of craftsmanship. The ministry also investigates all the complaints it receives from people dealing in the area of gold and precious metals.

#### Automobiles: Coping with Fraud and Technical Flaws

[Question] The automobile market: the measures the ministry has taken to cope with technical flaws in some cars, fraud in the case of others, and poor manufacture in yet others.

[Answer] The automobile market in the kingdom is considered one of the biggest in the region. It is a market that is open to competition from all companies producing cars in the world. Actual conditions give proof that the competition among Japanese, European and American products in recent years has grown intense and everyone is anxious to get the greatest amount of the buying power present while being concerned to preserve their reputation by being careful to provide quality and elements of safety in what is supplied on the markets of the kingdom.

When they enter the kingdom, cars, like other manufactured goods, are subjected to Saudi standards specifications and the specifications authorized in the countries of origin, and the customs authorities do not permit cars violating the specifications to be released.

Regarding the points raised recently on incidents of the breakup of certain cars or the discovery of certain technical flaws or poor manufacture, the ministry has been concerned to learn about the truth of the causes, and has taken the initiative of getting in contact with the producers of these cars. It has received a rapid response, since a delegation from Japan representing the federation of automobile producers (JAMA) visited the kingdom, officials in the Specification and Standards and Traffic Authorities met with it, and it became apparent that what is exported to the markets of the kingdom is in no way inferior in terms of specifications than what is exported to the other markets of the world.

However, agreement has been reached to introduce changes into certain types of cars in a manner which will be in keeping with the kingdom's circumstances. These are additional specifications. In the face of the measures which have been taken, the fact remains that the results of field studies indicate that most accidents, to the extent of 80 percent of the causes, may be attributed to the method of driving, "that is, the driver," and the remaining proportion to the cause of the car and the road.

The technical flaws that are discovered in some cars are something that happens in the various countries of the world, and the producing companies take the initiative of declaring the technical flaws that are discovered and have appeared after use, and the method of repairing them through their agents and authorized distributors. That has happened in the case of some models of European and American cars. The ministry, in coordination with agents, has withdrawn the cars from these agents and repaired the flaws in accordance with specified schedules. One should bear in mind that the costs of repair have been at the agents' expense.

On the subject of the fraud which takes place in the case of some car models, the ministry has been careful to get in contact with the original producers, and it often becomes apparent that modifications have been made outside the framework of the producer, and some small importers who are not agents have resorted to importing some modified models at prices which are in violation, in the desire to realize additional profits. Therefore, the ministry has been concerned to make announcements on cases of this sort. It has contacted customs to confirm that shipments arriving in violation of the original models which are approved by the manufacturing companies are not released.

Here I should not miss an opportunity to point to the cooperation the Saudi Specifications and Standards Authority is carrying out with the competent international bodies, including the Japanese Automobile Research Laboratory (JARI), with which the authority is cooperating in order to prepare preliminary studies to establish an automobile inspection laboratory in the kingdom.

#### The Guidance of Consumption

[Question] What is your view in general on the issue of guiding consumption among citizens and government agencies, in the context of the government?

[Answer] The condition which accompanies the guidance of consumption is the guidance of "spending" in general, starting with individuals, "as a personal style," whose results are reflected on all government agencies, of course.

In my opinion, uprightness of spending is a form of conduct which distinguishes Moslems from others. They commit themselves to the appeal Islam has made to them: "Who, when they expend, are neither prodigal nor parsimonious, but between that is a just stand." The appeal to guide spending is the duty of every father in his family and every official in his work area. It represents realistic conduct for coping with habits that have accompanied the increase in incomes and are not genuine in our society, on which God has bequeathed the bounties of Islam and to which he has imparted abundant good things. Perhaps I am not exaggerating if I add that it is worse to be cursed by bounties than to be cursed by adversities, in that people's spirits must fight against the manifestations of pomp and the dangers of overspending. The time has come for a pause for reflection with the people. Society needs all its members to take part in continuing to participate in its construction and in the preservation of its bounties. Perhaps a few savings which each citizen will be careful about will point the way toward further investments in building productive projects in the various agricultural, industrial, and service areas and will bring great bounties to the country and the citizen, God willing.



We Are Conducting Surveillance over Domestic As Well As Foreign Production!

[Question] Is local production of foodstuffs subject to the oversight by the ministry through inspection of the fitness and soundness of these materials before they are offered to the consumer, as is the case with respect to foodstuffs that are imported?

[Answer] Local production of foodstuffs is subject to the authorized Saudi standards specifications issued by the Saudi Specifications and Standards Authority, which cooperates with local factories in carrying out tests on the latter's production before it is offered for consumption, to make sure that it corresponds to the approved specifications.

Local production is distinguished in that it is not exposed to long storage periods and is more rapidly handled, which makes it last longer than imported production, on condition that all suitable storage, transportation and handling conditions are observed.

Perhaps I might remind our brother producers of the need to commit themselves to Saudi Specification One regarding the card for canned foodstuffs and attention to registering the date of production and the date at which fitness for use ends, or the maximum period for using the foodstuffs. In addition, the ministry has used up the grace period for applying this specification in the case of imported or local foodstuffs, and everyone must seek to commit themselves to it, out of concern for the citizen's safety and to avoid being subjected to the stipulated penalties in the event of violations.

In cooperation with the municipalities, surveillance teams of consumer protection inspectors in the ministry and its branches monitor inspection activities in storehouses and confirm the fitness of the locally produced foodstuffs offered on the outlets, and they take the necessary measures to destroy food that is rotten, in addition to writing up seizure citations for people committing violations and handing them over to the competent committees to complete the measures for imposing the appropriate penalties, as required by the statute to combat commercial fraud.

We Are Studying an Amendment to Transportation Pricing!

[Question] The Ministry of Communications' determination of loads on vehicles is reflected in the increase in prices to the consumer, because of the increase in transportation prices. What measures has the ministry taken regarding this subject?

[Answer] The measures the Ministry of Communications has taken to confirm commitment to the statute on the loads allowed on the roads are related to the public interest and have the goal of preserving the roads, on grounds that they are one of the elements of our national wealth.

I previously invited the Ministry of Communications to a symposium on this subject which was held in the Public Administration Institute in April 1984 and was attended by interested persons in the form of technicians, owners of transportation companies, merchants and chambers of commerce representatives.

The Ministry of Trade also took part in it, and views were exchanged on the subject from all technical, economic and social angles.

On the reflection the effect of applying the statute on loads on roads has had on the increase in transportation prices and consequently sales prices to the consumer, the Ministry of Communications, in conjunction with the Ministry of the Interior and the Ministry of Trade, is conducting a study on the subject from all angles and seeking the views of specialists in the chambers of commerce, preparatory to coming up with a modification in the current pricing of transportation, if need calls for that.

We Have Restricted the use of Foodstuffs to Their Basic Purposes

[Question] Concerning the measures the ministry is taking to control the use of supply commodities for purposes other than those for which they are allotted (the use of flour for animal fodder).

Mr Tawfiq Ibrahim said, "The use of supply commodities for purposes other than those for which they are allotted is something that happens in a limited matter. It only happens in circumstances where there is a large shortage of a material or a drop in its price, while there is another alternative material that can take its place. As you mentioned in your question, for example (the use of flour as fodder for animals), the ministry is concerned that supply materials will be used for what they are allotted for, especially since it prepares annual supply estimate programs in accordance with consumption needs and determines ways of providing these requirements, from local production or from imports, and the quantity of every material that must be provided in storage as reserves to cope with production circumstances or reimports, for instance, a strategic storage to cope with possible emergencies.

"The execution of this program is observed so that one can learn about the actual situation and take the necessary measures in coordination with the chambers of commerce to correct deviations from the targeted program which might occur.

"As regards some livestock growers' recourse to flour instead of fodder in some periods of fodder shortage, which has been observed, the government has previously taken measures to guarantee that the importation of fodder in the form of corn and barley is encouraged. The ministry has also made some modifications in their prices and their stipulated subsidies were declared at the time. As a result of this, a balance was created in demand for them, and the livestock growers turned toward fodder use, since it is more beneficial for the livestock than flour, besides being available and suitable in price."

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CIA BLAMED FOR HINDU-MUSLIM CLASHES IN ANDHRA PRADESH

Moscow IZVESTIYA in Russian 9 Oct 84 p 5

[Article by IZVESTIYA special correspondent A. Ter-Grigoryan (Hyderabad-Moscow): "Hyderabad: Who Threw the Stone"]

[Excerpts] Today's Hyderabad is the capital of Andhra Pradesh State, in which about 60 million people who speak Telegu, primarily Hindus, live. Muslims make up a significant stratum only in the capital of the state--about 40 percent. They speak Urdu.

Like all of India, it is diverse. Its three parts--the old and new cities, as well as the business center of Secunderabad, which is separated from them by an enormous lake--stir the imagination of the visitor. The magnificent domes of the buildings of the university, the city court and the legislative assembly reflect the characteristic traits of Muslim architecture. The high towers of Secunderabad, its office buildings, the editorial offices of newspapers, the store windows, which have formed up as if on parade, I dare say, have nothing in common with the "artistic disorder" which reigns on the other side of the lake.

For many years the Indian National Congress-I Party, which now rules in the center, was in power in Andhra Pradesh. This party always swore to the principles of democracy and secularism--the independence of the state from religion, and strove for the creation of an atmosphere of harmonious cooperation among the representatives of different religions, tribes and castes. About two decades ago in Andhra Pradesh there were not any major Hindu-Muslim clashes.

The Telegu Desam Party, which declared as its goal the campaign for the overcoming of the economic and social backwardness of the Telegu or Andhra people, which is one and the same, was formed here 2 years ago. The party triumphed in the elections to the state legislative assembly at the beginning of last year. Popular movie actor N. T. Rama Rao, whom they frequently call in English by the initials which are pronounced in one word--Entiar--held the post of chief minister. He became famous for the embodiment on the screen of imagines of the gods of the Hindu pantheon. For millions of peasants and petty merchants the turning of Entiar from a movie actor into a political figure was something like a sign from heaven. The great Siva himself, having

left the screen, appeared before the people on the platforms of mass meetings, using confidently the advantages which the powerful microphone gave him.

The new authorities in the state constantly reminded the people that the times of the Nizams, when the Hindus were subjected to the Muslim yoke, had passed; they promised the people a new life in happiness and abundance. Entiar strove to associate himself more and more in the eyes of the people with the Hindu religion and went deeper and deeper into the image. The ultraright-wing Bhartiya Janata Party, which relies on the powerful Hindu communalist organization Rashtriya Svayamasevak Sangh (RSS), raised its head in the state. All this, however, in itself would not have led to the outburst: someone's experienced hand directed it.

They told me that during the July clashes someone threw a stone at a procession of women in the street. This "someone" was ostensibly a Muslim man. And now they also claim that everything happened because of the ill-fated "Muslim stone." Who in reality threw this stone? Who lifted the match to the keg of powder? Who, finally, produced this keg, strained the atmosphere and carefully caused a clash between the interests of the people of Hyderabad, who belong to the different religious communities?

I met influential people from among the Hindus and Muslims, who are considered communalists. In India they qualify by this word the extremist-minded supporters of religious communal exclusivity. It is always pronounced with a shade of condemnation. Even the most zealous supporters of religious communal enmity resort to it in application to themselves. Pandit Vande Mataram Ramachandra Rao also denies his affiliation with communalism. At one time, during the times of the Nizams, he fought against the humiliation of the Hindus and was a hero. But now....

"During the holiday of Bonal they threw stones at completely innocent Hindu women," he cried, being in a state of extreme excitation. "They threw stones during the holiday of Ganesh. They always attack. They do not feel like Indians."

"Who are they?" I asked, in order to let him catch his breath.

"How come who? The Muslim fanatics."

It is a good thing that not everyone is a Muslim, I thought. Having suddenly calmed down, the pandit began to relate that in recent times many Muslim settlers, which are inclined to fanaticism and are generously supplied with petrodollars from the countries of the Middle East, had appeared in Andhra Pradesh, that precisely these agents of pan-Islam are also stirring up trouble. In general after the Nizam had disappeared, in Hyderabad the Hindus and Muslims began to live in peace.

"It is incomprehensible to us Hindus why in our state the religious minority has such obvious privileges. The Muslims, whom the central authorities support, have, moreover, a large number of Muslim countries, from which assistance arrives. But we Hindus have only our India. Tiny Nepal does not count.... During the communalist clashes mainly Hindus die, but the police

arrest precisely them. Everything would be different if the Muslims would feel like Indians, Indian patriots, and then slaves of Allah and and prophet."

This entire conversation after what was seen by me on the street seemed minor and distressing to me. Hindu communalism, as, incidentally, also extreme nationalism of all varieties, is hopelessly blind. The pandit obviously did not understand who threw the stone.... Maulana Sultan Salauddin Owaissi, president of the Majlis-e-Ittihad-ul' Muslimin Party, an austere man in a gray frock coat-shervan with a tiny, quite worldly beard, also did not understand this. He said almost the same thing as the pandit did--the Hindus and Muslims in their speeches had simply exchanged places. He admitted that many Muslims, who had worked abroad, in the countries of the Middle East, had been able to earn a lot of money and, having returned to Hyderabad, had opened enterprises which began to compete successfully with enterprises belonging to Hindus. And what is bad in this? Because of this the Hindu businessmen also resorted to butchery, hoping to destroy physically the Muslim competitors. And, in his words, not local, but newly arrived Hindu businessmen are doing all this. Among the native residents of Hyderabad, both Hindus and Muslims, there are almost no extremists.

"During the July clashes 13 people were killed. In all 60 Muslims were accused of murder and were thrown behind bars. They kill mainly Muslims and also arrest only them!"

I asked him, what, in his opinion, must be done so that the clashes owing to religion would cease.

"If they want us to feel 'first of all like Indians,'" he snarled, "let them cease to write in their idiotic textbooks that Sivaji, the brilliant leader of the Marathas, routed the murderous troops of Muslim murderer Aurangzeb! Let them cease to curse the 'mogol yoke'! Let them cease to cry that we have always suppressed their culture!"

Yes, neither the pandit nor the maulana understood that in opposing each other they are unwittingly serving another force, which is trying to split, break up and weaken India. Blindness did not allow them to see, from where the stone, which was throw at the holiday procession, had flown. But it flew from a much greater distance than can be imagined.

The editor of the newspaper MILAP, which is published in Hyderabad in two languages, Hindi and Urdu, received me in his office, which was piled high with folders and files. Galleys of materials in Hindi and narrow strips of tracing paper with hand-written calligraphic texts--linotype for the present has not found extensive use for Urdu--were lying on his desk. Mister Udh Vir is a journalist who is well known in the city and state, an active fighter against all types of communalism and against religious, caste and national narrow-mindedness. Doubts and hesitations are alien to Udh Vir, if he is convinced of something.

"Yes," he said, "in Hyderabad there are objective grounds for the kindling of communalist enmity. Yes, such organizations as the Bhartiya Janata Party, the RSS and the Majlis-e-Ittihad-ul' Muslimin are constantly poisoning the

atmosphere with their extremist appeals. Many political parties during the election maneuvering make extensive use of religious communal conflicts, without also having an aversion to such means as the provocation of bloody clashes. Each of these politicians wants to derive his own dividends from the blood of poor people, which has been spilled on the roadways. But the sector of the U.S. Central Intelligence Agency, which deals with India, needs these dividends most of all."

"You do not believe it?" Udh Vir asked, having fallen silent. "Now this, perhaps, is still hard to prove, but one day everything will come to light and you will be able to obtain a precise answer to the question, who threw the stone."

Udh Vir began to tell how the special services of Washington and Islamabad are becoming firmly established in the life of Hyderabad, how with the aid of their numerous agents from among the Indians they are actively participating here in the political struggle.

"They are skillfully rousing religious passions. I know this from my own experience. During 1975-1977 I lived in London. How the people from the CIA cajoled me there! And hardly only me! They offered several Indian physicians, for example, who were doing rather well in London, twice as large amounts so that they would return to India, would enter government service and would disorganize the family planning campaign which was being conducted at that time. If you recall, precisely the errors in the conducting of this campaign played an important role in the defeat of the Indian National Congress in 1977.... Our achievement give them no peace, our unity and our independent policy irritate them...."

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# IRAN CALLS FOR CHECK OF POW'S TO BEGIN IN IRAQ

GF190736 Tehran Domestic Service in Persian 0430 GMT 19 Nov 84

[News commentary by research group of Central News Unit: "Altest Developments in the Imposed War"]

[Excerpts] The Western mass media during the past month have carried many reports, most of which have been erroneous, on shootings and clashes between two factions of Iraqi POW's in an Iranian camp. The subject of POW's is nothing new in a war. There are POW's from the beginning of any war. POW's began to be captured 4 years ago when Saddam began his military aggression against our Islamic country and enjoyed an initial victory for a few days when many of our towns and villages fell under immediate threat. At that time thousands of citizens in the war affected areas, due to lack of defense means or communications, were surprised and captured by the aggressive Iraqi forces. Considering those people who have since been freed from Saddam's detention, one can see that a majority of the people who Iraq claims to have detained as POW's are nonmilitary personnel and defenseless inhabitants of the war zones. This action can be best described as a kidnapping rather than the taking POW's. Aside from the list provided by the International Red Cross of Iranian combatants who have been captured by the enemy in battle zones, there has been no list given to the Islamic Republic regarding the names and particulars of all those innocent compatriots who have been kidnapped by the Saddamist kidnappers. Several families of dear ones held a meeting several days ago at the Red Crescent offices of Iran and called on international bodies to clarify the situation regarding such persons.

Meanwhile with the beginning of offensives by the forces of the Islamic Republic and during defensive operations against the aggressions of Saddam's forces a great many misinformed members of the Iraqi forces have been captured by the Islamic Republic. According to statistics issued by the relevant organizations in our country, tens of thousands of Iraqi military personnel have been captured by our brave fighting men during various operations in several war sectors. These POW's are being kept in humane living conditions in accordance with all international rules and conventions. Many reports by impartial foreign news agencies show that during the past 2 or 3 years the Iraqi POW's have been living under fairly good conditions and have been provided adequate facilities.

Following the incidents of 1 month ago at a POW camp in Gorgan, during which two groups of Iraqi POW's fought with each other resulting in several deaths and injuries, the Islamic Republic formally announced its willingness to receive a UN team to investigate the incident. The director general at the Foreign Affairs Ministry of our country said that the Islamic Republic of Iran will welcome a visit by a UN team because the living conditions of the Iraqi POW's in Iran are much better than the standards prescribed by the international Geneva Convention of 1949. However, in view of the continued violations of the Geneva Convention by the Saddam regime and in connection with the treatment of the Iranian POW's, it is advisable that the visit to Iran should take place after the UN team has visited Iraq. He further pointed out that the UN team of experts should first go to Iraq and after investigating the matter of thousands of missing Iranians, the majority of whom are civilian citizens, it should come to Iran and look into the conditions of Iraqi POW's. Today it is clear to all people that the Iraqi POW's in Iran are being received as guests and that all their particulars have been given to the International Red Cross.

To the contrary, the Islamic Republic has little information of the fate of thousands of its citizens who have been in prison of the Saddam regime for the past 4 years. On this basis the Islamic Republic believes that the United Nations and the International Red Cross or any other international organization which may be interested in investigating this particular matter should begin its investigation in Iraq.

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